

**CITY OF MILLVILLE**  
**COUNTY OF CUMBERLAND**  
**REPORT OF AUDIT**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2017**

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**CITY OF MILLVILLE**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Board of Commissioners  
City of Millville  
Millville, New Jersey 08332

### **Report on the Financial Statements**

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Millville, in the County of Cumberland, State of New Jersey, as of December 31, 2017, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### **Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

As described in note 1 to the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Millville, in the County of Cumberland, State of New Jersey, as of December 31, 2017, or the results of its operations and changes in fund balance for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Millville, in the County of Cumberland, State of New Jersey, as of December 31, 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

### **Prior Period Financial Statements**

The financial statements of the City of Millville as of and for the year ended December 31, 2016 were audited by other auditors whose report dated June 16, 2017 expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

### **Emphasis of Matter**

#### *Prior Period Restatements*

As discussed in note 21 to the financial statements, during the year ended December 31, 2017, the current, trust-other, trust-community development, water capital and sewer capital fund financial statements for the year ended December 31, 2016 have been restated to correct misstatements. Our opinion is not modified with respect to this matter.



## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018 on our consideration of the City of Millville, in the County of Cumberland, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Millville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Millville's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 28, 2018

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Board of Commissioners  
City of Millville  
Millville, New Jersey 08332

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the City of Millville, in the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2018. That report indicated that the City of Millville's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the correction of misstatements.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Millville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Millville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Millville's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Millville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and state awarding agencies and pass-through entities, in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 28, 2018



**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>Restated 2016</u>
Regular Fund:			
Cash	SA-1	\$ 19,393,811.52	\$ 18,058,526.03
Change Funds	SA-2	2,200.00	2,200.00
Due from State of New Jersey:			
Veterans' and Senior Citizens' Deductions	SA-3	77,153.07	44,562.01
		<u>19,473,164.59</u>	<u>18,105,288.04</u>
Receivables and Other Assets with Full Reserves:			
Protested Checks Receivable	SA-4	14,114.94	
Due from Bank		2,314.17	2,314.17
Delinquent Taxes Receivable	SA-5	943,656.44	1,133,582.11
Tax Title Liens Receivable	SA-6	118,438.81	165,187.12
Penalty Surcharge Receivable	SA-7	11,247.32	
Property Maintenance Assessments Receivable	SA-8	169,853.08	109,447.81
Property Acquired for Taxes--Assessed Valuation	SA-9	2,733,330.00	2,732,230.00
Revenue Accounts Receivable	SA-10	29,385.46	20,945.49
Due Animal Control Fund	SB-5	58.04	13.53
Due Water Utility Operating Fund	SD-15	1,561.55	178.40
Due Sewer Operating Fund	SE-16		550.60
		<u>4,023,959.81</u>	<u>4,164,449.23</u>
		<u>23,497,124.40</u>	<u>22,269,737.27</u>
Federal and State Grant Fund:			
Cash	SA-1	879,824.45	1,098,429.26
Federal and State Grants Receivable	SA-22	2,779,262.67	2,179,242.64
Total Federal and State Grant Fund		<u>3,659,087.12</u>	<u>3,277,671.90</u>
		<u>\$ 27,156,211.52</u>	<u>\$ 25,547,409.17</u>

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>Restated 2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 3,007,129.74	\$ 2,502,081.84
Reserve for Encumbrances	A-3	395,939.53	531,521.97
Accounts Payable	SA-12	263,109.57	258,751.78
Tax Overpayments	SA-14	13,681.16	93,255.30
Prepaid Taxes	SA-15	760,758.67	365,337.04
Due County for Added Taxes	SA-17	52,680.12	28,819.90
Local District School Taxes Payable	SA-16	2,964,105.14	2,691,565.74
Due State of New Jersey--Marriage License Fees	SA-13	304.00	429.00
Due State of New Jersey--Burial Fees		15.00	15.00
Due Trust Other Fund	SB-2	19,321.23	4,953.70
Due Community Development Fund	SB-4	1,220.39	
Due Sewer Operating Fund	SE-16	5,317.58	
Reserve for Tax Appeals	SA-19	2,760,241.07	2,617,628.84
Reserve for Insurance Proceeds	SA-20	180,604.07	147,330.32
Reserve for Proceeds from Sale of Municipal Assets	SA-21	127,790.00	127,790.00
		<hr/>	<hr/>
		10,552,217.27	9,369,480.43
Reserves for Receivables		4,023,959.81	4,164,449.23
Fund Balance	A-1	8,920,947.32	8,735,807.61
		<hr/>	<hr/>
Total Regular Fund		23,497,124.40	22,269,737.27
		<hr/>	<hr/>
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-23	282,968.55	136,011.78
Accounts Payable		5,386.65	5,386.65
Reserve for State and Federal Grants:			
Appropriated	SA-23	3,286,270.27	3,136,273.47
Unappropriated	SA-24	84,461.65	
		<hr/>	<hr/>
Total Federal and State Grant Fund		3,659,087.12	3,277,671.90
		<hr/>	<hr/>
		\$ 27,156,211.52	\$ 25,547,409.17
		<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF MILLVILLE  
CURRENT FUND  
Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2017 and 2016

	2017	2016
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 5,748,139.00	\$ 5,862,830.00
Miscellaneous Revenues Anticipated	9,704,133.14	9,133,466.56
Receipts from Delinquent Taxes	1,050,541.26	758,955.29
Receipts from Current Taxes	48,300,419.33	47,471,646.14
Non-Budget Revenue	787,803.22	373,628.93
Other Credits to Income:		
Cancellation of Accounts Payable	60,471.35	
Cancellation of Tax Overpayments	10,076.34	
Reserve Liquidated:		
Cancelled Prior Year Stale Checks		752.86
Unexpended Balance of Appropriation Reserves	2,326,891.24	1,754,971.49
Interfund Loans Returned:		55,061.49
Sewer Utility Operating Fund	550.60	
Total Income	67,989,025.48	65,411,312.76
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	11,253,825.00	11,421,778.14
Other Expenses	12,342,808.00	12,036,195.00
Deferred Charges and Statutory Expenditures Within "CAPS"	2,688,030.00	2,770,719.00
Operations--Excluded from "CAPS":		
Salaries and Wages	90,000.00	
Other Expenses	2,345,036.91	1,511,835.23
Capital Improvements--Excluded from "CAPS"	50,000.00	50,000.00
Municipal Debt Service--Excluded from "CAPS"	2,682,644.78	3,222,506.89
Deferred Charges--Excluded from "CAPS"		185,000.00
County Taxes	18,521,461.31	18,074,643.74
Due County for Added and Omitted Taxes	52,680.12	28,819.90
Local District School Tax	12,007,842.00	11,772,394.00
Prior Year Senior Citizen and Veteran Deduction Disallowed	5,876.05	8,810.18
Refund of Prior Year Revenue		29,818.63
Interfund Loans Made:		
Animal Control Fund	44.51	
Water Utility Operating Fund	1,383.15	
Reserve Created:		
Protested Checks	14,114.94	
Total Expenditures	62,055,746.77	61,112,520.71
Excess in Revenue	5,933,278.71	4,298,792.05
Fund Balance		
Balance January 1	8,735,807.61	10,299,845.56
	14,669,086.32	14,598,637.61
Decreased by:		
Utilized as Anticipated Revenue	5,748,139.00	5,862,830.00
Balance December 31	\$ 8,920,947.32	\$ 8,735,807.61

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF MILLVILLE  
CURRENT FUND  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Special N.J.S. 40:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 5,748,139.00		\$ 5,748,139.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	14,500.00		14,740.00	\$ 240.00
Other	18,000.00		14,674.00	(3,326.00)
Fees and Permits	500,000.00		1,223,930.10	723,930.10
Fines and Costs:				
Municipal Court	371,000.00		379,568.06	8,568.06
Interest and Costs on Taxes	175,000.00		200,947.18	25,947.18
Interest on Investments and Deposits	80,000.00		136,587.69	56,587.69
Manufactured Homes Annual Service Fee	230,000.00		238,615.89	8,615.89
Cable T.V. Franchise Fee	85,000.00		99,687.01	14,687.01
Rent--Millville Library	176,680.00		176,680.00	
Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.35)	197,695.00		197,695.00	
Energy Receipts Tax	4,022,178.00		4,022,178.00	
Open Space PILOT (Reserve for Garden State Preservation Trust)	29,852.00		29,852.00	
Uniform Construction Code Fees	108,000.00		140,251.60	32,251.60
Public and Private Revenues Offset with Appropriations:				
N.J. Department of Transportation:				
FY14 - 3rd Street Improvements		\$ 36,370.00	36,370.00	
FY15 - 3rd Street Improvements		213,300.00	213,300.00	
FY16 - High Street Resurfacing		225,481.00	225,481.00	
FY17 - 6th Street Road Reconstruction		235,946.00	235,946.00	
Safe Streets to Transit Program		280,000.00	280,000.00	
Clean Communities		62,582.13	62,582.13	
Click It or Ticket		5,500.00	5,500.00	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Distracted Driving Grant		5,500.00	5,500.00	
Safe & Secure Communities Program		90,000.00	90,000.00	
Municipal Alliance Program		31,594.00	31,594.00	
Recycling Tonnage Grant	100,503.94		100,503.94	
Body Armor Fund		6,847.26	6,847.26	
Safe Corridors		22,916.66	22,916.66	
Bulletproof Vest Partnership		10,815.92	10,815.92	
Additional Revenues Offset with Appropriations:				
Millville Board of Education - Gasoline	20,000.00		8,069.43	(11,930.57)
Shared Services Agreement - Tax Assessor	30,000.00		30,000.00	
Other Special Items:				
Utility Operating Surplus of Prior Years:				
Water Utility	201,586.00		201,586.00	
Sewer Utility	385,290.00		385,290.00	
Uniform Fire Safety Act	83,000.00		118,384.08	35,384.08
Payments in Lieu of Taxes--Abatements	500,000.00		391,265.95	(108,734.05)
Hotel Motel Tax	125,000.00		151,532.17	26,532.17
Payment in Lieu of Taxes--Housing Authority	75,670.00		86,453.60	10,783.60
Payment in Lieu of Taxes--Senior Center	33,359.00		35,568.47	2,209.47
Reserve for Payment of Debt	87,720.00		87,720.00	
Total Miscellaneous Revenues	7,650,033.94	1,232,352.97	9,704,133.14	821,746.23
Receipts from Delinquent Taxes	652,000.00		1,050,541.26	398,541.26
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	18,664,053.00		19,893,519.90	1,229,466.90
Budget Totals	32,714,225.94	1,232,352.97	36,396,333.30	2,449,754.39
Non-Budget Revenue			787,803.22	787,803.22
	\$ 32,714,225.94	\$ 1,232,352.97	\$ 37,184,136.52	\$ 3,237,557.61

(Continued)



**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

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Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 48,300,419.33
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Allocated to:

School, County and Revenue Allocation District	30,581,983.43
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Balance for Support of Municipal Budget Appropriations	17,718,435.90
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Add:

Appropriation "Reserve for Uncollected Taxes"	2,175,084.00
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Amount for Support of Municipal Budget Appropriations	\$ 19,893,519.90
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,030,248.37
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Tax Title Lien Collection	20,292.89
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	\$ 1,050,541.26
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Fees and Permits--Other:

City Clerk	\$ 595,514.73
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Searches for Taxes and Municipal Improvements	220.00
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Housing Inspector Fees and Permits	398,109.00
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Street Opening Permits	188,011.00
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Planning and Zoning Board Fees	42,035.37
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Police Fees and Permits	40.00
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	\$ 1,223,930.10
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Interest and Costs on Taxes:

Receipts	\$ 192,287.70
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Penalty Surcharge Receivable--Collections	8,659.48
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	\$ 200,947.18
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(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

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Analysis of Non-Budget Revenues

State of N.J.:

Administrative Cost Reimbursement - Senior Citizen & Veterans	\$ 5,006.85
Rent - Docking Spaces	150.00
Sale of Municipal Assets	68,111.00
Voicestream Rent Proceeds	37,220.55
Sprint Rent Proceeds	34,768.70
AT&T - Rent Proceeds NJMP	35,467.86
Verizon Rent Proceeds	244,125.00
Tax Sale Costs	34,261.52
Interest on Clean Up Assessment	12,078.73
Sale of City Maps	75.00
Photocopies	234.83
Firearms Registration	1,580.00
Accident Reports	215.75
Confiscated Funds	2,288.37
Other Miscellaneous	60,156.85
FEMA Reimbursement	<u>60,423.73</u>

\$ 596,164.74

Property Maintenance Assessments

191,638.48

\$ 787,803.22

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**CURRENT FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2017**

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
OPERATIONS--WITHIN "CAPS"					
General Government Functions					
General Administration					
Salaries and Wages	\$ 55,000.00	\$ 36,500.00	\$ 27,969.25	\$	8,530.75
Other Expenses	20,214.00	20,214.00	11,103.40		9,110.60
Human Resources					
Salaries and Wages	82,000.00	100,500.00	90,867.71		9,632.29
Other Expenses	14,375.00	14,375.00	8,224.55	1,434.07	4,716.38
Board of Commissioners					
Salaries and Wages	71,500.00	71,500.00	70,137.22		1,362.78
Other Expenses	7,920.00	7,920.00	3,766.86	318.38	3,834.76
Municipal Clerk's Office					
Salaries and Wages	297,500.00	297,500.00	263,887.50		33,612.50
Other Expenses	61,345.00	61,345.00	49,420.16	1,416.03	10,508.81
Financial Administration					
Salaries and Wages	472,000.00	472,000.00	416,181.17		55,818.83
Other Expenses	45,850.00	45,850.00	33,670.39	2,786.67	9,392.94
Annual Audit	50,000.00	50,000.00			50,000.00
Information Systems					
Salaries and Wages	4,000.00	4,000.00			4,000.00
Other Expenses	134,300.00	134,300.00	105,042.57	144.58	29,112.85
Collection of Taxes					
Salaries and Wages	171,000.00	171,000.00	165,159.38		5,840.62
Other Expenses	28,050.00	28,050.00	27,208.27	287.75	553.98
Assessment of Taxes					
Salaries and Wages	220,000.00	220,000.00	211,551.64		8,448.36
Other Expenses	119,400.00	119,400.00	47,885.17	1,834.00	69,680.83
Legal Services and Costs					
Other Expenses	308,250.00	333,250.00	283,011.19	3,233.07	47,005.74
Municipal Court					
Salaries and Wages	358,650.00	358,650.00	311,392.74		47,257.26
Other Expenses	65,200.00	65,200.00	60,197.89	1,497.02	3,505.09

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)					
General Government Functions (Cont'd)					
Public Defender	\$	37,500.00	\$	28,658.75	\$ 4,086.25
Other Expenses					
Engineering Services and Costs					
Salaries and Wages	206,000.00	206,000.00	159,256.75		46,743.25
Other Expenses	93,500.00	93,500.00	26,454.58	34,982.20	32,063.22
Economic Development					
Other Expenses	30,000.00	30,000.00	30,000.00		
Land Use Administration					
Planning/Community Development					
Other Expenses	52,600.00	52,600.00	47,891.35	3,857.13	851.52
Planning Board					
Salaries and Wages	32,000.00	22,000.00	18,885.33		3,114.67
Other Expenses	27,600.00	35,100.00	31,996.75		3,103.25
Zoning Board of Adjustment					
Salaries and Wages	31,000.00	31,000.00	30,594.57		405.43
Other Expenses	15,750.00	23,250.00	19,965.05	354.40	2,930.55
Bureau of Permits and Inspections					
Salaries and Wages	259,000.00	259,000.00	197,056.14		61,943.86
Other Expenses	103,650.00	98,650.00	65,270.53	2,263.96	31,115.51
Insurance					
Surety Bond Premiums	5,000.00	5,000.00	1,250.00		3,750.00
Liability Insurance	365,000.00	365,000.00	358,354.00	6,250.00	396.00
Workers Compensation	950,000.00	950,000.00	881,083.58		88,916.42
Employee Group Health	4,626,500.00	4,626,500.00	4,200,005.57		426,494.43
Health Benefits Waiver	55,690.00	55,690.00	55,449.26		240.74

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>					
Public Safety Functions					
Police					
Salaries and Wages	\$ 6,377,000.00	\$ 6,349,005.00	\$ 5,869,127.88	\$ 479,877.12	
Other Expenses	479,100.00	479,100.00	314,887.63	26,955.68	
Office of Emergency Management					
Salaries and Wages	15,000.00	15,000.00	12,814.91	1,182.88	1,002.21
Other Expenses	20,675.00	20,675.00	9,804.64	7,934.58	2,935.78
Aid to Ambulance Squads	105,000.00	105,000.00	105,000.00		
Fire Department					
Salaries and Wages	973,675.00	992,870.00	992,869.21		0.79
Other Expenses	101,300.00	107,300.00	86,473.15	20,054.06	772.79
Municipal Prosecutor's Office					
Other Expenses	74,000.00	74,000.00	56,400.00	1,200.00	16,400.00
Uniform Fire Safety Act					
Salaries and Wages	65,000.00	42,800.00	42,776.03		23.97
Other Expenses	25,100.00	25,100.00	20,466.81	4,242.26	390.93
Public Works Functions					
Streets and Roads Maintenance					
Salaries and Wages	777,000.00	777,000.00	678,926.56		98,073.44
Other Expenses	199,350.00	199,350.00	136,396.48	29,213.84	33,739.68
Shade Tree Commission					
Salaries and Wages	1,000.00	1,000.00	692.28		307.72
Other Expenses	7,000.00	7,000.00	2,459.83	4,206.00	334.17
Solid Waste and Recycling Collection					
Salaries and Wages	7,500.00	7,500.00	4,235.16		3,264.84
Other Expenses	996,214.00	996,214.00	782,329.29	72,038.23	141,846.48
Solid Waste Recycling -- Apartments -- NJSA 40A:4-45.3kk	15,000.00	15,000.00	15,000.00		
Public Buildings and Grounds					
Salaries and Wages	153,000.00	153,000.00	106,321.35		46,678.65
Other Expenses	182,625.00	182,625.00	106,947.30	15,448.25	60,229.45

(Continued)

CITY OF MILLVILLE  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)					
Public Works Functions					
Fleet Management					
Salaries and Wages					
Other Expenses					
Health and Human Services Functions					
Animal Control Services					
Salaries and Wages					
Other Expenses					
Contributions to Social Services Agencies -- Office on Aging					
Parks & Recreation Functions					
Recreation Services & Programs					
Salaries and Wages					
Other Expenses					
Federal and State Downtown Maintenance					
Salaries and Wages					
Other Expenses					
Parks and Playgrounds					
Salaries and Wages					
Other Expenses					
Celebration of Public Event, Anniversary, or Holiday					
Other Expenses					
Uniform Construction Code					
State Uniform Construction Code (NJAC 5:23-4.17)					
Construction Official					
Salaries and Wages					
Other Expenses					
Reserve for Payment of Unused Accumulated Sick Pay					
Unclassified					
Utilities:					
Electricity					
Street Lighting					
Telephone					
Natural Gas					

(Continued)



**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>					
Unclassified					
Utilities:					
Gasoline	\$ 260,000.00	\$ 260,000.00	\$ 141,141.98	\$ 118,858.02	
Landfill/Solid Waste Disposal Costs	668,800.00	668,800.00	521,971.69	139,571.29	
Total Operations--Within "CAPS"	23,594,633.00	23,594,633.00	20,441,723.95	2,756,969.52	-
Contingent	2,000.00	2,000.00		2,000.00	
Total Operations Including Contingent--Within "CAPS"	23,596,633.00	23,596,633.00	20,441,723.95	2,758,969.52	-
Detail:					
Salaries and Wages	11,294,825.00	11,253,825.00	10,291,605.59	1,182.88	-
Other Expenses (Including Contingent)	12,301,808.00	12,342,808.00	10,150,118.36	394,756.65	-
Statutory Expenditures:					
Prior Year Bills:					
Millville Library	15,901.00	15,901.00	15,901.00		
Contribution to:					
Public Employees Retirement System	601,453.00	601,453.00	601,453.00		
Social Security (O.A.S.I.)	500,000.00	500,000.00	409,581.08	90,418.92	
Police and Fireman's Retirement System of N.J.	1,515,928.00	1,515,928.00	1,515,928.00		
Unemployment Insurance	16,000.00	16,000.00	16,000.00		
Defined Contribution Retirement Program	3,000.00	3,000.00		3,000.00	
Additional Public Employees Retirement System	35,748.00	35,748.00	13,623.53	22,124.47	
Total Deferred Charges and Statutory Expenditures--					
Municipal-Within "CAPS"	2,688,030.00	2,688,030.00	2,572,486.61	115,543.39	-
Total General Appropriations for Municipal					
Purposes--Within "CAPS"	26,284,663.00	26,284,663.00	23,014,210.56	395,939.53	-

(Continued)



**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
<b>OPERATIONS--EXCLUDED FROM "CAPS"</b>					
Reserve for Tax Appeals	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00		
Interest on Tax Appeals	10,000.00	10,000.00			\$ 10,000.00
Aid to Library (N.J.S.A. 40:54-35)	689,680.00	689,680.00	689,680.00		
Recycling Tax (P.L. 2007, c.311)	40,000.00	40,000.00	26,426.19		13,573.81
Length of Service Award Program	30,000.00	30,000.00	18,400.00		11,600.00
<b>OPERATIONS--EXCLUDED FROM "CAPS"</b>					
Interlocal Service Agreements:					
Millville Board of Education -- Gasoline	20,000.00	20,000.00	8,158.48		11,841.52
Millville Board of Education -- Information Technology	33,500.00	33,500.00	19,000.00		14,500.00
Tax Assessor - Upper Deerfield Township	29,000.00	29,000.00			29,000.00
Public and Private Programs Off-set by Revenues:					
Matching Funds for Grants	50,000.00	42,101.50			42,101.50
NJDOT Safe Corridors Program (NJSA 40A:4-87 +\$22,916.66)		22,916.66	22,916.66		
Recycling Tonnage Grant	100,503.94	100,503.94	100,503.94		
N.J. Department of Transportation:					
FY14 - 3rd Street Improvements (NJSA 40A:4-87 +\$36,370.00)		36,370.00	36,370.00		
FY15 - 3rd Street Improvements (NJSA 40A:4-87 +\$213,300.00)		213,300.00	213,300.00		
FY16 - High Street Resurfacing (NJSA 40A:4-87 +\$225,481.00)		225,481.00	225,481.00		
FY17 - 6th Street Road Reconstruction (NJSA 40A:4-87 +\$235,946.00)		235,946.00	235,946.00		
Safe Streets to Transit Program (NJSA 40A:4-87 +\$280,000.00)		280,000.00	280,000.00		
Municipal Alliance Program (NJSA 40A:4-87 +\$39,492.50)		39,492.50	39,492.50		
Clean Communities Program (NJSA 40A:4-87 +\$62,582.13)		62,582.13	62,582.13		
Body Armor Replacement Fund (NJSA 40A:4-87 +\$6,847.26)		6,847.26	6,847.26		
Click It or Ticket (NJSA 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Bulletproof Vest Partnership (NJSA 40A:4-87 +\$10,815.92)		10,815.92	10,815.92		
Distracted Driving Crackdown (NJSA 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Drive Sober or Get Pulled Over (NJSA 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Safe and Secure Communities Grant (NJSA 40A:4-87 +\$90,000.00)		90,000.00	90,000.00		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>150,503.94</b>	<b>1,382,856.91</b>	<b>1,340,755.41</b>	<b>-</b>	<b>42,101.50</b>
<b>Total Operations--Excluded from "CAPS"</b>	<b>1,202,683.94</b>	<b>2,435,036.91</b>	<b>2,302,420.08</b>	<b>-</b>	<b>132,616.83</b>
<b>Detail:</b>					
Salaries and Wages	-	90,000.00	90,000.00	-	-
Other Expenses	1,202,683.94	2,345,036.91	2,212,420.08	-	132,616.83

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
<b>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
Total Capital Improvements--Excluded from "CAPS"	50,000.00	50,000.00	50,000.00	-	-
<b>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	2,035,000.00	2,035,000.00	2,035,000.00		\$ 316,000.00
Payment of Bond Anticipation Notes and Capital Notes	316,000.00	316,000.00			387.50
Interest on Bonds	502,320.00	502,320.00	501,932.50		759.45
Interest on Notes	80,000.00	80,000.00	79,240.55		
Green Trust Loan Program:					
Principal	55,994.00	55,994.00	55,992.66		1.34
Interest	12,481.00	12,481.00	10,479.07		2,001.93
Total Municipal Debt Service-Excluded From "CAPS"	3,001,795.00	3,001,795.00	2,682,644.78	-	319,150.22

(Continued)

CITY OF MILLVILLE  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 4,254,478.94	\$ 5,486,831.91	\$ 5,035,064.86	-	\$ 319,150.22
Subtotal General Appropriations	30,539,141.94	31,771,494.91	28,049,275.42	395,939.53	319,150.22
Reserve for Uncollected Taxes	2,175,084.00	2,175,084.00	2,175,084.00		
Total General Appropriations	\$ 32,714,225.94	\$ 33,946,578.91	\$ 30,224,359.42	\$ 395,939.53	\$ 319,150.22
Appropriations by 40A:4-87 Budget	\$ 1,232,352.97				
	<u>32,714,225.94</u>				
	\$ 33,946,578.91				
Reserve for Federal , State and Other Grants -- Appropriated			\$ 1,340,755.41		
Reserve for Tax Appeals			200,000.00		
Reserve for Uncollected Taxes			2,175,084.00		
Disbursed			<u>26,508,520.01</u>		
			\$ 30,224,359.42		

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>Restated 2016</u>
Animal Control Fund:			
Cash	SB-1	\$ 11,118.56	\$ 23,315.11
Protested Checks		49.00	49.00
		<u>11,167.56</u>	<u>23,364.11</u>
Other Funds:			
Cash	SB-1	5,722,911.08	5,618,125.95
Investments - Length of Service Awards Program	SB-8	397,360.99	323,590.05
Due Water Utility Operating Fund	SD-1	3,348.83	3,348.83
Due Current Fund	SB-2	19,321.23	4,953.70
Due Community Development Fund	SB-3		1,116.91
Due from Bank	SB-1	137.86	137.86
Mortgage and Loan Receivable--UEZ Assistance Program	SB-13	2,940,347.62	3,077,392.33
Total Other Funds		<u>9,083,427.61</u>	<u>9,028,665.63</u>
Community Development Fund:			
Cash	SB-1	262,148.51	202,698.75
Due Current Fund	SB-4	1,220.39	
Due Trust Other Funds	SB-3	1,817.10	
Community Development Block Grants Receivable	SB-10	434,101.56	130,988.25
Home Investment Partnership Program Receivable	SB-14	457,227.80	296,689.92
Mortgages Receivable--Reserve for Rehabilitation Projects	SB-11	77,446.22	77,784.28
Mortgages Receivable--Reserve for U.D.A.G.	SB-12	104,119.85	130,980.83
Total Community Development Fund		<u>1,338,081.43</u>	<u>839,142.03</u>
		<u>\$ 10,432,676.60</u>	<u>\$ 9,891,171.77</u>

(Continued)

**CITY OF MILLVILLE**  
**TRUST FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2017 and 2016

		<u>2017</u>	<u>Restated 2016</u>
<u>LIABILITIES AND RESERVES</u>			
	<u>Ref.</u>		
Animal Control Fund:			
Due Current Fund	SB-5	\$ 58.04	\$ 13.53
Due State of New Jersey-Animal Registration Fees	SB-6	0.20	20.80
Due to Employee		39.00	39.00
Reserve for Animal Control	SB-7	11,070.32	23,290.78
		<hr/>	<hr/>
Total Animal Control Fund		11,167.56	23,364.11
		<hr/>	<hr/>
Other Funds:			
Due Community Development Fund	SB-3	1,817.10	
Due Sewer Operating Fund		1,957.06	1,957.06
Miscellaneous Trust Reserves:			
Outside Employment for Police	SB-15	24,721.61	39,223.57
Public Defender	SB-15	71,526.75	63,652.25
Planning Board Escrows	SB-15	255,522.22	247,185.47
Unemployment Compensation Insurance	SB-15	34,558.89	27,148.23
Landfill Closure	SB-15	149,047.21	148,155.61
Municipal Alliance Grant Funds	SB-15	1,312.71	1,176.88
Self-Insurance Funds	SB-15	2,107,934.45	2,110,332.56
Neighborhood Preservation Program	SB-15	315.00	315.00
State Law Enforcement Fund	SB-15	15,891.85	17,111.85
Snow Removal	SB-15	46,855.47	47,179.82
Vanaman Memorial Park Donations	SB-15	1,052.00	1,052.00
Memorial in Patriot Park Donations	SB-15	5,195.88	5,255.88
Parking Offenses Adjudication Act	SB-15	10,720.00	9,408.00
COAH Fees	SB-15	22,651.30	22,150.39
Millville Garden Rent Revenue	SB-15	7,755.93	7,755.93
Neighborhood Opportunity Fund	SB-15	2,860.00	2,860.00
Recreation Donations	SB-15	4,909.70	4,909.70
Uniform Fire Safety Act Penalties	SB-15	5,722.21	4,830.62
Employee Accumulated Absences	SB-15	966,299.11	846,317.15
Length of Service Awards Program	SB-15	397,360.99	323,590.05
Reserve for Sheldon Estate Bequest	SB-16	6,642.55	6,640.57
Reserve for Payroll Taxes Payable	SB-9	169,900.61	167,298.49
Reserve for Tax Title Lien Redemption	SB-16	1,000,483.56	1,178,720.57
Reserve for Revolving Loan Fund--UEZ Assistance Program	SB-18	614,535.05	451,514.87
Reserve for UEZ 1st Generation Project	SB-19	215,530.78	215,530.78
Reserve for Mortgage Receivable--UEZ Assistance Program	SB-13	2,940,347.62	3,077,392.33
		<hr/>	<hr/>
Total Other Funds		9,083,427.61	9,028,665.63
		<hr/>	<hr/>

(Continued)

**CITY OF MILLVILLE**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

		<u>2017</u>	Restated <u>2016</u>
<u>LIABILITIES AND RESERVES (CONT'D)</u>	<u>Ref.</u>		
Community Development Fund:			
Due Trust Other Funds	SB-3	\$	1,116.91
Reserve for Mortgage Notes Receivable	SB-11	\$ 77,446.22	77,784.28
Reserve for Mortgage Notes Receivable--U.D.A.G.	SB-12	104,119.85	130,980.83
Reserve for Community Development Funds	SB-17	489,746.35	165,322.30
Reserve for Revolving Loan Fund--Rehabilitation Program	SB-20	121,147.31	120,809.25
Reserve for Home Investment Partnership Program	SB-21	402,393.53	213,468.53
Reserve for Revolving Loan Fund--U.D.A.G.	SB-22	141,645.88	129,207.18
Reserve for U.D.A.G. Interest	SB-23	1,532.29	402.75
Reserve for Third Ward Neighborhood Preservation		50.00	50.00
		<hr/>	<hr/>
Total Community Development Fund		1,338,081.43	839,142.03
		<hr/>	<hr/>
		\$ 10,432,676.60	\$ 9,891,171.77
		<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
**Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis**  
**As of December 31, 2017 and 2016**

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	SC-1	\$ 4,191,983.64	\$ 1,419,678.65
Grants Receivable	SC-3	135,039.27	135,039.27
Deferred Charges to Future Taxation:			
Funded	SC-6	22,574,889.33	13,861,881.99
Unfunded	SC-7	1,631,060.54	11,725,960.54
		<u>\$ 28,532,972.78</u>	<u>\$ 27,142,560.45</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
General Serial Bonds	SC-13	\$ 22,093,000.00	\$ 13,324,000.00
Bond Anticipation Notes	SC-12		6,356,902.00
Due State of New Jersey:			
Green Trust Loan Payable	SC-10	481,889.33	537,881.99
Improvement Authorizations:			
Funded	SC-11	1,438,638.48	206,888.85
Unfunded	SC-11	1,068,257.69	3,418,639.87
Reserve for Encumbrances	SC-9	1,122,187.13	1,222,747.59
Reserve for Preliminary Expenses	SC-5	2,850.00	2,850.00
Reserve for Payment of Debt	SC-4	1,064,033.58	1,121,153.58
Capital Improvement Fund	SC-8	336,859.86	350,359.86
Reserve for Grants Receivable	SC-3	135,039.27	135,039.27
Fund Balance	C-1	790,217.44	466,097.44
		<u>\$ 28,532,972.78</u>	<u>\$ 27,142,560.45</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Fund Balance -- Regulatory Basis  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 466,097.44
Increased by:	
Premium Collected on Bond Sale	<u>324,120.00</u>
Balance Dec. 31, 2017	<u><u>\$ 790,217.44</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>Restated 2016</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	SD-1	\$ 3,443,732.14	\$ 3,244,788.56
		<u>3,443,732.14</u>	<u>3,244,788.56</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	118,112.76	163,398.72
Water Utility Liens	SD-8	838.76	706.26
Fire Hydrant Rentals	SD-6	200.84	
Other Accounts Receivable	SD-7	4,029.18	4,176.85
		<u>123,181.54</u>	<u>168,281.83</u>
Total Operating Fund		<u>3,566,913.68</u>	<u>3,413,070.39</u>
Assessment Trust Fund:			
Cash	SD-1	11,000.00	11,000.00
Total Assessment Trust Fund		<u>11,000.00</u>	<u>11,000.00</u>
Capital Fund:			
Cash	SD-1	2,963,609.20	1,809,055.53
Fixed Capital	SD-9	22,012,247.58	21,976,104.89
Fixed Capital Authorized and Uncompleted	SD-10	2,198,236.31	1,098,236.31
Total Capital Fund		<u>27,174,093.09</u>	<u>24,883,396.73</u>
		<u>\$ 30,752,006.77</u>	<u>\$ 28,307,467.12</u>

(Continued)

**CITY OF MILLVILLE**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>Restated 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4/SD-11	\$ 495,321.92	\$ 431,297.75
Reserve for Encumbrances	D-4/SD-11	147,486.85	81,911.70
Accrued Interest on Bonds, Notes, and Loans	SD-12	62,437.31	44,775.33
Accounts Payable	SD-13	4,964.00	8,383.23
Water Rental Overpayments	SD-14	4,950.26	14,660.66
Due Current Fund	SD-15	1,561.55	178.40
Due Trust Other Fund		3,348.83	3,348.83
Due Sewer Operating Fund	SE-1	855.93	
Reserve for Insurance Proceeds	SD-5	15,217.20	21,858.70
Reserve for Sale of Municipal Assets		2,130.00	2,130.00
		738,273.85	608,544.60
Reserve for Receivables	D	123,181.54	168,281.83
Fund Balance	D-1	2,705,458.29	2,636,243.96
Total Operating Fund		3,566,913.68	3,413,070.39
Assessment Trust Fund:			
Fund Balance		11,000.00	11,000.00
Total Assessment Trust Fund		11,000.00	11,000.00
Capital Fund:			
Serial Bonds	SD-21	4,041,000.00	2,171,000.00
NJ Environmental Infrastructure Loan Payable	SD-20	3,346,233.52	3,604,759.83
Bond Anticipation Notes	SD-22		956,845.00
Improvement Authorizations:			
Funded	SD-17	1,226,119.84	132,391.09
Unfunded	SD-17	239,405.37	249,421.97
Capital Improvement Fund		169,402.58	169,402.58
Reserve for Encumbrances	SD-16	736.52	
Reserve for:			
Amortization	SD-18	15,444,317.67	15,213,174.98
Deferred Amortization	SD-19	1,378,087.48	1,119,561.17
Reserve for Payment of Debt		594,825.02	594,825.02
Fund Balance	D-2	733,965.09	672,015.09
Total Capital Fund		27,174,093.09	24,883,396.73
		\$ 30,752,006.77	\$ 28,307,467.12

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**WATER UTILITY FUND**  
 Statements of Operation and Changes in Operating Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

<u>Revenue and Other</u>		
<u>Income Realized</u>	<u>2017</u>	<u>2016</u>
Fund Balance	\$ 457,043.00	\$ 504,148.75
Water Rents	3,429,151.58	3,562,110.82
Fire Hydrant Service	12,503.21	
Miscellaneous	115,279.53	90,777.26
UEZ Debt Service Aid		75,526.25
Other Credits to Income:		
Protested Checks	500.00	
Accounts Payable Canceled	3,419.23	
Unexpended Balance of Appropriation Reserves	398,504.76	438,264.81
Total Income	4,416,401.31	4,670,827.89
<u>Expenditures</u>		
Operating	2,774,796.00	2,784,589.00
Capital Improvements	145,000.00	145,000.00
Debt Service	600,352.88	633,371.29
Deferred Charges and Statutory Expenditures	167,000.00	167,000.00
Refund of Prior Year Revenue	855.93	
Reserve Created:		
Protested Checks	553.17	
Total Expenditures	3,688,557.98	3,729,960.29
Excess in Revenue	727,843.33	940,867.60
<u>Fund Balance</u>		
Balance January 1	2,636,243.96	2,401,111.11
	3,364,087.29	3,341,978.71
Decreased by:		
Utilized as Revenue by Water Operating Budget	457,043.00	504,148.75
Utilized as Revenue by Current Fund Budget	201,586.00	201,586.00
Balance Dec. 31	\$ 2,705,458.29	\$ 2,636,243.96

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of Capital Fund Balance -- Regulatory Basis  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 672,015.09
Increased by:	
Premium on Bonds Issued	<u>61,950.00</u>
Balance Dec. 31, 2017	<u><u>\$ 733,965.09</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance	\$ 457,043.00	\$ 457,043.00	
Rents	3,200,000.00	3,429,151.58	\$ 229,151.58
Fire Hydrant Service	11,400.00	12,503.21	1,103.21
Miscellaneous	52,000.00	115,279.53	63,279.53
	<u>\$ 3,720,443.00</u>	<u>\$ 4,013,977.32</u>	<u>\$ 293,534.32</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable	\$ 3,429,151.58
Water Utility Liens	-
	<u>\$ 3,429,151.58</u>

Miscellaneous:

Interest on Delinquent Accounts	\$ 15,220.12
Other Accounts Receivable:	
Water Service Contracts (Tap Fees)	5,075.00
Connecting Fees	30,276.40
Water Turn on and Turn Off Fees	18,070.31
	<u>\$ 68,641.83</u>
Interest on Deposits	33,724.06
Meters and Miscellaneous	12,913.64
	<u>\$ 115,279.53</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2017**

	Appropriations		Expended		Unexpended
	Original Budget	Budget After Modification	Paid or Charged	Encumbrances	Balance Canceled
Operating:					
Salaries and Wages	\$ 1,151,000.00	\$ 1,151,000.00	\$ 1,026,787.85		\$ 124,212.15
Other Expenses	1,623,796.00	1,623,796.00	1,244,421.83	\$ 82,143.91	297,230.26
Total Operating	2,774,796.00	2,774,796.00	2,271,209.68	82,143.91	421,442.41
Capital Improvements:					
Capital Outlay	145,000.00	145,000.00	36,142.69	65,342.94	43,514.37
Debt Service:					
Payment of Bond Principal	195,000.00	195,000.00	195,000.00		\$ 10,059.00
Interest on Bonds	110,630.00	110,630.00	100,571.00		7,089.47
Interest on Notes	14,000.00	14,000.00	6,910.53		6,145.65
Water Supply Bond Loan	304,017.00	304,017.00	297,871.35		
Total Debt Service	623,647.00	623,647.00	600,352.88		23,294.12
Deferred Charges and Statutory Expenditures:					
Costs of Improvements Authorized:					
Ordinance 42-2007	10,000.00	10,000.00			10,000.00
Contribution to:					
Social Security System (O.A.S.I.)	97,000.00	97,000.00	74,348.63		22,651.37
Public Employees' Retirement System	68,000.00	68,000.00	62,286.23		5,713.77
Disability Insurance	2,000.00	2,000.00			2,000.00
Total Statutory Expenditures	177,000.00	177,000.00	136,634.86	30,365.14	10,000.00
Total Water Utility Appropriations	\$ 3,720,443.00	\$ 3,720,443.00	\$ 3,044,340.11	\$ 147,486.85	\$ 495,321.92
					\$ 33,294.12
Interest on Bonds, Loans and Notes Disbursed			\$ 145,464.34		
			2,898,875.77		
			\$ 3,044,340.11		

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>Restated 2016</u>
Operating Fund:			
Cash	SE-1	\$ 5,480,177.90	\$ 4,471,093.75
Due from Current Fund	SE-16	5,317.58	
Due from Trust Other Fund		1,957.06	1,957.06
Due from Water Operating Fund	SE-1	855.93	
		<u>5,488,308.47</u>	<u>4,473,050.81</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-4	230,646.00	283,783.86
Sewer Utility Liens	SE-5	2,560.87	1,468.87
Due from Bank		522.56	522.56
Other Accounts Receivable - Connection Fees	SE-7	17,943.36	
Other Accounts Receivable - Protested Checks	SE-7	2,111.58	
		<u>253,784.37</u>	<u>285,775.29</u>
Total Operating Fund		<u>5,742,092.84</u>	<u>4,758,826.10</u>
Assessment Trust Fund:			
Cash	SE-1	61,504.82	61,504.82
Assessments Receivable	SE-8	983.53	983.53
Total Assessment Trust Fund		<u>62,488.35</u>	<u>62,488.35</u>
Capital Fund:			
Cash	SE-1	270,115.72	1,756,263.27
Due from State of NJ -- Environmental Infrastructure Trust	SE-6	2,545,618.75	67,811.75
Due from Sewer Utility Operating Fund		100,000.00	100,000.00
Fixed Capital	SE-9	28,308,116.31	28,308,116.31
Fixed Capital Authorized and Uncompleted	SE-10	19,853,116.64	19,853,116.64
Total Capital Fund		<u>51,076,967.42</u>	<u>50,085,307.97</u>
		<u>\$ 56,881,548.61</u>	<u>\$ 54,906,622.42</u>

(Continued)

**CITY OF MILLVILLE**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>Restated 2016</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-5/SE-11	\$ 656,972.29	\$ 783,538.55
Reserve for Encumbrances	E-5/SE-11	331,347.97	133,682.27
Accrued Interest on Bonds, Notes and Loans	SE-12	55,076.20	62,993.80
Sewer Rental Overpayments	SE-13	8,507.47	18,506.20
Accounts Payable	SE-14	130,253.90	235,102.73
Reserve for Insurance Proceeds		706.86	706.86
Due to Current Fund	SE-16		550.60
Due to Sewer Utility Capital Fund		100,000.00	100,000.00
Reserve for Sale of Municipal Assets		4,641.10	4,641.10
		<u>1,287,505.79</u>	<u>1,339,722.11</u>
Reserve for Receivables		253,784.37	285,775.29
Fund Balance	E-1	<u>4,200,802.68</u>	<u>3,133,328.70</u>
		<u>5,742,092.84</u>	<u>4,758,826.10</u>
Total Operating Fund			
Assessment Trust Fund:			
Reserve for Assessments and Liens	SE-17	983.53	983.53
Fund Balance	E-2	<u>61,504.82</u>	<u>61,504.82</u>
Total Assessment Trust Fund		<u>62,488.35</u>	<u>62,488.35</u>
Capital Fund:			
Serial Bonds Payable	SE-24	3,430,000.00	3,160,000.00
New Jersey Environmental Infrastructure Loans Payable	SE-23	12,075,943.85	3,060,891.07
Bond Anticipation Notes	SE-22		2,258,544.00
Improvement Authorizations:			
Funded	SE-21	177,011.25	195,409.53
Unfunded	SE-21	163,709.19	793,181.16
Contracts Payable	SE-15	1,518,544.19	7,762,230.49
Capital Improvement Fund	SE-20	701,951.59	601,951.59
Reserve for:			
Deferred Reserve for Amortization	SE-18	3,097,539.10	2,941,155.48
Amortization	SE-19	29,021,890.98	28,439,567.38
Reserve for Payment of Debt	SE-3	561,957.65	561,957.65
Fund Balance	E-3	<u>328,419.62</u>	<u>310,419.62</u>
Total Capital Fund		<u>51,076,967.42</u>	<u>50,085,307.97</u>
		<u>\$ 56,881,548.61</u>	<u>\$ 54,906,622.42</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis**  
**For the Years Ended December 31, 2017 and 2016**

<u>Revenue and Other</u>		
<u>Income Realized</u>	<u>2017</u>	<u>2016</u>
Fund Balance Utilized	\$ 166,019.00	\$ 464,775.28
Rents	6,066,454.83	5,946,099.13
Miscellaneous	121,035.42	99,184.05
UEZ Debt Service Aid		66,278.72
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	733,956.71	257,166.52
Accounts Payable Canceled	124,181.28	
Total Income	7,211,647.24	6,833,503.70
<u>Expenditures</u>		
Operating	4,245,884.00	4,237,853.00
Capital Improvements	180,000.00	180,000.00
Debt Service	941,980.26	1,430,182.71
Deferred Charges and Statutory Expenditures	225,000.00	225,000.00
Total Expenditures	5,592,864.26	6,073,035.71
Excess in Revenue	1,618,782.98	760,467.99
<u>Fund Balance</u>		
Balance January 1	3,133,328.70	3,222,925.99
	4,752,111.68	3,983,393.98
Decreased by:		
Utilized as Revenue	166,019.00	464,775.28
Utilized as Revenue in Current Fund	385,290.00	385,290.00
Balance December 31	\$ 4,200,802.68	\$ 3,133,328.70

The accompanying Notes to Financial Statements are an integral part of this statement.



**CITY OF MILLVILLE**  
**SEWER UTILITY ASSESSMENT FUND**  
Statement of Assessment Trust Fund Balance--Regulatory Basis  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 61,504.82
Increased by:	
Collection of Unpledged Assessments	<u>-</u>
Balance Dec. 31, 2017	<u><u>\$ 61,504.82</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Capital Fund Balance--Regulatory Basis  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 310,419.62
Increased by:	
Premium on Bonds Issued	<u>18,000.00</u>
Balance Dec. 31, 2017	<u><u>\$ 328,419.62</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Revenues -- Regulatory Basis**  
**For the Year Ended December 31, 2017**

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	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	\$ 166,019.00	\$ 166,019.00	
Rents	5,881,000.00	6,066,454.83	\$ 185,454.83
Miscellaneous	86,800.00	121,035.42	34,235.42
	<u>\$ 6,133,819.00</u>	<u>\$ 6,353,509.25</u>	<u>\$ 219,690.25</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable

\$ 6,066,454.83

\$ 6,066,454.83

Miscellaneous:

Interest on Delinquent Accounts

\$ 32,673.96

Connection Fees

50,722.26

Miscellaneous

466.47

Interest Earned on Deposits

37,172.73

\$ 121,035.42

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Expenditures--Regulatory Basis**  
**For the Year Ended December 31, 2017**

	Appropriations		Expended		Unexpended Balance Canceled
	Original Budget	Budget After Modification	Paid or Charged	Encumbrances	
Operating:					
Salaries and Wages	\$ 1,371,000.00	\$ 1,371,000.00	\$ 1,236,928.16	\$ 134,071.84	
Other Expenses	2,874,884.00	2,874,884.00	2,135,119.28	478,414.23	
Total Operating	4,245,884.00	4,245,884.00	3,372,047.44	612,486.07	
Capital Improvements:					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
Capital Outlay	80,000.00	80,000.00		69,907.00	10,093.00
Total Capital Improvements	180,000.00	180,000.00	100,000.00	69,907.00	10,093.00
Debt Service:					
Payment of Bond Principal	330,000.00	330,000.00	330,000.00		\$ 21,500.00
Payment of Bond Anticipation Notes	21,500.00	21,500.00			2,474.63
Interest on Bonds	136,000.00	136,000.00	133,525.37		
Interest on Notes	96,654.00	96,654.00	16,390.13		80,263.87
NJ Wastewater Treatment Loans	898,781.00	898,781.00	462,064.76		436,716.24
Total Debt Service	1,482,935.00	1,482,935.00	941,980.26		540,954.74
Deferred Charges & Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	120,000.00	120,000.00	89,301.17	90.48	30,608.35
Public Employees' Retirement System	103,000.00	103,000.00	101,215.13		1,784.87
Disability Insurance	2,000.00	2,000.00			2,000.00
Total Deferred Charges and Statutory Expenditures	225,000.00	225,000.00	190,516.30	90.48	34,393.22
Total Sewer Utility Appropriations	\$ 6,133,819.00	\$ 6,133,819.00	\$ 4,604,544.00	\$ 331,347.97	\$ 656,972.29
Interest on Bonds, Notes and Loans			\$ 199,593.32		
Disbursed			4,404,950.68		
			\$ 4,604,544.00		

The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land & Land Improvements	\$ 44,893,794.65	\$ 594,136.98	\$ 72,700.00	\$ 45,415,231.63
Buildings	6,526,955.34	85,790.00		6,612,745.34
Equipment & Vehicles	13,083,180.99	1,058,129.21	149,110.00	13,992,200.20
Total General Fixed Assets	<u>\$ 64,503,930.98</u>	<u>\$ 1,738,056.19</u>	<u>\$ 221,810.00</u>	<u>\$ 66,020,177.17</u>
Total Investment in General Fixed Assets	<u>\$ 64,503,930.98</u>			<u>\$ 66,020,177.17</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**CITY OF MILLVILLE**  
Notes to Financial Statements  
For the Year Ended December 31, 2017

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The City of Millville (hereafter referred to as the "City") was incorporated as a City by an act of the State Legislature in 1866. In 1913, the Walsh Act was passed and the City began operating under its present Commission form of government. There are five elected Commissioners, one of whom serves as Mayor. The City is located in Cumberland County, approximately 45 miles from Philadelphia, Pennsylvania and comprises approximately 44 square miles. The present population according to the 2010 census is 28,400.

**Component Units** - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the City, the primary government:

Millville Public Library  
210 Buck St.  
Millville, NJ 08332

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the City contain all funds and account groups in accordance with the *Requirements of Audit* (the "Requirements") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows (cont'd):

**General Capital Fund** - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

**Water Utility Operating and Capital Funds** - The Water Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

**Water Utility Assessment Fund** - The Water Utility Assessment Fund accounts for special assessments levied against property owners for water improvements which benefit property owners, rather than the City as a whole.

**Sewer Utility Operating and Capital Funds** - The Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

**Sewer Utility Assessment Fund** - The Sewer Utility Assessment Fund accounts special assessments levied against property owners for sewer improvements which benefit property owners, rather than the City as a whole.

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Budgets and Budgetary Accounting** - The City must adopt an annual budget for its current and utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the City's length of service awards program, however, are stated at fair value.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the City requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the City's basic financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**General Fixed Assets (Cont'd)** - The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Cumberland and the City of Millville School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**School Taxes** - The City is responsible for levying, collecting, and remitting school taxes for the City of Millville School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Cumberland. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. Although the City does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2017, the City's bank balances of \$43,212,024.39 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 42,068,985.56
Uninsured and Uncollateralized	<u>1,143,038.83</u>
Total	<u>\$ 43,212,024.39</u>

**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$ 3.338</u>	<u>\$ 3.296</u>	<u>\$ 3.222</u>	<u>\$ 3.228</u>	<u>\$ 3.183</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.266	\$ 1.266	\$ 1.266	\$ 1.266	\$ 1.258
County	1.257	1.230	1.190	1.207	1.190
Local School	.815	.800	.766	.755	.735

**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 1,474,534,621.00
2016	1,472,483,710.00
2015	1,479,230,971.00
2014	1,470,934,168.00
2013	1,480,439,592.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 49,360,037.10	\$ 48,300,419.33	97.85%
2016	48,610,325.27	47,471,646.14	97.66%
2015	47,776,082.47	46,596,724.48	97.53%
2014	47,925,631.59	46,705,619.57	97.45%
2013 (R)	24,020,483.42	23,239,435.04	96.75%

(R) - Six Month Reversion Period

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 118,438.81	\$ 943,656.44	\$ 1,062,095.25	2.15%
2016	274,634.93	1,133,582.11	1,408,217.04	2.90%
2015	390,232.33	1,074,774.92	1,465,007.25	3.07%
2014	601,587.58	892,609.98	1,494,197.56	3.12%
2013 (R)	480,728.67	848,202.24	1,328,930.91	Not Applicable

(R) - Six Month Reversion Period

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2017	38
2016	36
2015	94
2014	75
2013	62

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 2,733,330.00
2016	2,732,230.00
2015	2,163,330.00
2014	1,195,830.00
2013 (R)	1,385,230.00

(R) - Six Month Reversion Period

**Note 5: WATER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2017	\$ 163,398.72	\$ 706.26	\$ 3,383,998.12	\$ 3,548,103.10	\$ 3,429,151.58
2016	147,214.55	2,994.46	3,591,482.02	3,741,691.03	3,574,808.95
2015	225,313.18	3,767.19	3,407,595.08	3,636,675.45	3,484,416.81
2014	221,291.28	5,494.12	3,398,810.19	3,625,595.59	3,394,068.29
2013 (R)	198,963.89	4,142.71	1,813,151.76	2,016,258.36	1,790,988.29

(R) - Six Month Reversion Period

**Note 6: SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2017	\$ 283,783.86	\$ 1,468.87	\$ 6,041,749.45	\$ 6,327,002.18	\$ 6,066,454.83
2016	251,817.09	671.10	5,978,065.90	6,230,554.09	5,946,099.13
2015	413,110.81	4,926.53	5,750,568.47	6,168,605.81	5,910,050.47
2014	392,599.58	6,294.78	5,928,836.28	6,327,730.64	5,907,805.05
2013 (R)	403,361.63	4,688.94	2,820,502.80	3,228,553.37	2,827,829.85

(R) - Six Month Reversion Period

**Note 7: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 8,920,947.32	\$ 7,518,091.00	84.27%
2016	8,735,807.61	5,748,139.00	65.80%
2015	10,299,845.56	5,862,830.00	56.92%
2014	11,444,884.73	5,638,730.00	49.27%
2013 (R)	11,176,411.92	4,627,974.00	41.41%

**Water Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 2,705,458.29	\$ 693,918.00	25.65%
2016	2,636,243.96	658,629.00	24.98%
2015	2,401,111.11	705,734.75	29.39%
2014	2,157,622.72	657,750.50	30.48%
2013 (R)	1,827,637.36	175,059.50	9.58%

**Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 4,200,802.68		
2016	3,133,328.70	\$ 551,309.00	17.59%
2015	3,222,925.99	850,065.28	26.38%
2014	2,742,203.62	792,194.68	28.89%
2013 (R)	2,346,294.85	523,472.27	22.31%

(R) - Six Month Reversion Period

**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 1,619.59	\$ 25,859.20
Trust - Community Development	3,037.49	
Trust - Animal Control		58.04
Trust - Other	22,670.06	3,774.16
Water Utility - Operating		5,766.31
Sewer Utility - Operating	108,130.57	
Sewer Utility - Capital		100,000.00
Totals	<u>\$ 135,457.71</u>	<u>\$ 135,457.71</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2018, the City expects to liquidate such interfunds, depending upon the availability of cash flow.



**Note 9: PENSION PLANS**

A substantial number of the City's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several City employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.state.nj.us/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the City, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the City. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.



**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The City's contractually required contribution rate for the year ended December 31, 2017 was 14.19% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$773,601.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the City's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$772,453.00, which was paid on April 1, 2017. Employee contributions to the plan during the year ended December 31, 2017 were \$410,161.54.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

**Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd) - Special Funding Situation Component -** Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The City's contractually required contribution rate for the year ended December 31, 2017 was 27.90% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$1,552,388.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the City's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$1,515,928.00, which was paid on April 1, 2017. Employee contributions to the plan during the year ended December 31, 2017 were \$561,742.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2017 was 2.73% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2017 is \$151,670.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2016 was \$114,281.00, which was paid on April 1, 2017.

**Defined Contribution Retirement Program -** The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the City contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2017, employee contributions totaled \$10,084.90, and the City's contributions were \$5,504.31. There were no forfeitures during the year.



**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2017, the City's proportionate share of the PERS net pension liability was \$19,439,040.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the City's proportion was .0835067657%, which was a decrease of .0034434165% from its proportion measured as of June 30, 2016.

At December 31, 2017, the City's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,391,102.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the City's contribution to PERS was \$772,453.00, and was paid on April 1, 2017.

**Police and Firemen's Retirement System** - At December 31, 2017, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$ 27,079,514.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	3,033,134.00
	<u>\$ 30,112,648.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the City's proportion was .1754074151%, which was a decrease of .0105183211% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the City, was .1754074151%, which was an increase of .0105183211% from its proportion, on-behalf of the City, measured as of June 30, 2016.

At December 31, 2017, the City's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$2,029,861.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the City's contribution to PFRS was \$1,515,928.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the City, calculated by the plan as of the June 30, 2017 measurement date is \$371,021.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2017, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 457,722.00	\$ 175,676.00	\$ 633,398.00	\$ -	\$ 158,934.00	\$ 158,934.00
Changes of Assumptions	3,916,297.00	3,339,206.00	7,255,503.00	3,901,939.00	4,434,833.00	8,336,772.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	132,367.00	516,741.00	649,108.00	-	-	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	603,756.00	607,282.00	1,211,038.00	1,028,850.00	2,589,246.00	3,618,096.00
City Contributions Subsequent to the Measurement Date	386,801.00	776,194.00	1,162,995.00	-	-	-
	<u>\$ 5,496,943.00</u>	<u>\$ 5,415,099.00</u>	<u>\$ 10,912,042.00</u>	<u>\$ 4,930,789.00</u>	<u>\$ 7,183,013.00</u>	<u>\$ 12,113,802.00</u>

\$386,801.00 and \$776,194.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans measurement date of June 30, 2017 to the City's year end of December 31, 2017.



Note 9: PENSION PLANS (CONT'D)Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The City will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$ 434,925.00	\$ (96,553.00)	\$ 338,372.00
2019	667,861.00	466,353.00	1,134,214.00
2020	307,759.00	(488,618.00)	(180,859.00)
2021	(759,802.00)	(1,708,588.00)	(2,468,390.00)
2022	(471,390.00)	(716,702.00)	(1,188,092.00)
	<u>\$ 179,353.00</u>	<u>\$ (2,544,108.00)</u>	<u>\$ (2,364,755.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, preretirement mortality rates were based on the RP-2000 Preretirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

Note 9: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040 for PERS and through 2057 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.



**Note 9: PENSION PLANS (CONT'D)****Sensitivity of City's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the City's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
City's Proportionate Share of the Net Pension Liability	<u>\$ 24,115,449.00</u>	<u>\$ 19,439,040.00</u>	<u>\$ 15,543,012.00</u>

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of June 30, 2017, the plans measurement date, for the City and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.14%)</b>	<b>Current Discount Rate (6.14%)</b>	<b>1% Increase (7.14%)</b>
City's Proportionate Share of the Net Pension Liability	\$ 35,679,490.00	\$ 27,079,514.00	\$ 20,013,656.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	<u>3,996,403.83</u>	<u>3,033,134.00</u>	<u>2,241,698.30</u>
	<u>\$ 39,675,893.83</u>	<u>\$ 30,112,648.00</u>	<u>\$ 22,255,354.30</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the City's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Five Years)***

	<b><u>Measurement Date Ended June 30,</u></b>		
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
City's Proportion of the Net Pension Liability	0.0835067657%	0.0869501822%	0.0902109235%
City's Proportionate Share of the Net Pension Liability	\$ 19,439,040.00	\$ 25,752,150.00	\$ 20,250,545.00
City's Covered Payroll (Plan Measurement Period)	\$ 5,716,328.00	\$ 5,971,600.00	\$ 6,178,560.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	340.06%	431.24%	327.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<b><u>Measurement Date Ended June 30,</u></b>		
	<b><u>2014</u></b>	<b><u>2013</u></b>	
City's Proportion of the Net Pension Liability	0.0858453883%	0.0830261391%	
City's Proportionate Share of the Net Pension Liability	\$ 16,072,605.00	\$ 15,867,945.00	
City's Covered Payroll (Plan Measurement Period)	\$ 6,009,304.00	\$ 5,787,888.00	
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267.46%	274.16%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	



Note 9: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the City's Contributions - Public Employees' Retirement System (PERS) (Last Five Years)*

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Contractually Required Contribution	\$ 773,601.00	\$ 772,453.00	\$ 775,572.00
City's Contribution in Relation to the Contractually Required Contribution	(773,601.00)	(772,453.00)	(775,572.00)
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 5,453,054.00	\$ 5,642,285.00	\$ 5,994,904.00
City's Contributions as a Percentage of Covered Payroll	14.19%	13.69%	12.94%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
City's Contractually Required Contribution	\$ 707,697.00	\$ 625,585.00	
City's Contribution in Relation to the Contractually Required Contribution	(707,697.00)	(625,585.00)	
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
City's Covered Payroll (Calendar Year)	\$ 6,193,627.00	\$ 6,140,792.00	
City's Contributions as a Percentage of Covered Payroll	11.43%	10.19%	

Note 9: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the City's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Five Years)*

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.1754074151%	0.1859257362%	0.1986241402%
City's Proportionate Share of the Net Pension Liability	\$ 27,079,514.00	\$ 35,516,572.00	\$ 33,083,858.00
State's Proportionate Share of the Net Pension Liability associated with the City	3,033,134.00	2,982,511.00	2,901,343.00
Total	<u>\$ 30,112,648.00</u>	<u>\$ 38,499,083.00</u>	<u>\$ 35,985,201.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 5,524,428.00	\$ 6,025,780.00	\$ 6,277,748.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	490.18%	589.41%	527.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
City's Proportion of the Net Pension Liability	0.1887112842%	0.1915114609%	
City's Proportionate Share of the Net Pension Liability	\$ 23,738,129.00	\$ 25,459,721.00	
State's Proportionate Share of the Net Pension Liability associated with the City	2,556,198.00	2,373,155.00	
Total	<u>\$ 26,294,327.00</u>	<u>\$ 27,832,876.00</u>	
City's Covered Payroll (Plan Measurement Period)	\$ 5,964,540.00	\$ 5,813,944.40	
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	397.99%	437.91%	

Note 9: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the City's Contributions - Police and Firemen's Retirement System (PFRS) (Last Five Years)*

	Year Ended December 31,		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Contractually Required Contribution	\$ 1,552,388.00	\$ 1,515,928.00	\$ 1,614,518.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,552,388.00)</u>	<u>(1,515,928.00)</u>	<u>(1,614,518.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 5,563,901.00	\$ 5,524,825.00	\$ 5,815,293.00
City's Contributions as a Percentage of Covered Payroll	27.90%	27.44%	27.76%
	Year Ended December 31,		
	<u>2014</u>	<u>2013</u>	
City's Contractually Required Contribution	\$ 1,449,433.00	\$ 1,397,225.00	
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,449,433.00)</u>	<u>(1,397,225.00)</u>	
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
City's Covered Payroll (Calendar Year)	\$ 6,184,573.00	\$ 6,018,794.00	
City's Contributions as a Percentage of Covered Payroll	23.44%	23.21%	

**Note 9: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

***Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.



**Note 10: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The City's length of service awards program (the "Plan"), which is a defined contribution plan reported in the City's trust fund, was created by a City Ordinance adopted on June 1, 1999 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The voters of the City approved the adoption of the Plan at the general election held on November 2, 1999, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2000. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The City's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Union Fire Company and Rescue Squad, consisting of the volunteer fire department and the first aid organization, come from contributions made solely by the governing body of the City, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Plan Amendments** - The City may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the City, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the City's governing body, provided, however, that any amendment required by the IRS, may be adopted by the City's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the City shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The City may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the City shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The City elected to contribute \$1,150.00 for the year ended December 31, 2017, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The City has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2017, the City's total expenditure to the Plan was \$18,400.00.



**Note 10: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Participant Accounts** - Each participant's account is credited with the City's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The City has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the City to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the City. These funds, however, are not available for funding the operations of the City.

**Vesting** - The City, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

**Forfeited Accounts** - For the year ended December 31, 2017, no accounts were forfeited.

**Investments** - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

**Plan Information** - Additional information about the City's length of service awards program can be obtained by contacting the Plan Administrator.

**Supplementary Length of Service Award Program Information**

In accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the following schedule of City contributions to the length of service award program is presented. This schedule is presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

	Year Ended December 31,			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Plan Calculated Contribution	\$ 18,400.00	\$ 16,100.00	\$ 11,500.00	\$ 16,100.00
City's Contributions in Relation to the Plan Calculated Contribution	(18,400.00)	(16,100.00)	(11,500.00)	(16,100.00)
City's Plan Calculated Contribution Deficiency (Excess)	-	-	-	-

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The City contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2010, the City authorized participation in the SHBP's post-retirement benefit program. The City provides postemployment health care benefits, at its cost, to all City retirees who at the date of retirement have not less than twenty-five (25) years of service credit in a State locally administered retirement system and have served at least twenty (15) years as an employee of the City. Benefits provided include health insurance and prescription coverage for retirees and their dependents only during the retired employees' life.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health and prescription premiums of participating retirees in the SHBP are billed to the City on a monthly basis. The City funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The City's contributions to SHBP for the years ended December 31, 2017, 2016, and 2015, were \$1,726,261.68, \$1,529,724.58, and \$1,498,364.09, respectively, which equaled the required contributions each year. There were approximately 78 retired participants eligible at December 31, 2017.

**Note 12: COMPENSATED ABSENCES**

Under the existing policy of the City, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The City compensates employees for unused sick leave and vacation days upon termination or retirement. For unused sick leave, however, the current policy provides one compensated day for every two days accumulated.

The City has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2017, the balance of the fund was \$966,299.11. It is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$823,148.69.

**Note 13: DEFERRED COMPENSATION SALARY ACCOUNT**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City's financial statements.

**Note 14: SANITARY LANDFILL ESCROW CLOSURE FUND**

The City operates a municipal landfill located in the southern part of the City. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

The City has received State approval for its Landfill Closure Plan. As of December 31, 2017 the Reserve for Landfill Closure had a balance of \$149,047.21. However, the escrow closure fund balance at year-end does not represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with the closure are not known.

**Note 15: CAPITAL DEBT****General Obligation Bonds**

General Obligation Bonds, Series 2008 - On September 1, 2008, the City issued \$7,816,000.00 of general improvement, water utility, and sewer utility bonds, with interest rates ranging from 3.0% to 5.0%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is September 1, 2018.

General Obligation Bonds, Series 2011 - On November 1, 2011, the City issued \$16,185,000.00 of general improvement, water utility, sewer utility, and revenue allocation district bonds, with interest rates ranging from 3.0% to 5.0%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is November 1, 2023.

General Obligation Refunding Bonds, Series 2012 - On September 5, 2012, the City issued \$8,015,000.00 in general obligation refunding bonds, with interest rates ranging from 1.00% to 2.50%, to advance refund \$1,735,000.00 in outstanding 2001 general improvement bonds with an interest rate of 4.10%, \$5,124,000.00 in outstanding 2004 general improvement bonds with an interest rate of 4.125%, \$154,000.00 in outstanding 2004 water utility bonds with an interest rate of 4.125%, and \$592,000.00 in outstanding 2004 sewer utility bonds with an interest rate of 4.125%. The final maturity of the bonds is July 15, 2020.



**Note 15: CAPITAL DEBT (CONT'D)****General Obligation Bonds (Cont'd)**

General Obligation Refunding Bonds, Series 2016 - On April 21, 2016, the City issued \$4,265,000.00 in general obligation refunding bonds, with interest rates ranging from 2.00% to 3.00%, to advance refund \$1,751,000.00 in outstanding 2008 general improvement bonds with an interest rate of 5.0%, \$1,405,000.00 in outstanding 2008 water utility bonds with an interest rate of 5.0%, and \$965,000.00 in outstanding 2008 sewer utility bonds with an interest rate of 5.0%. The final maturity of the bonds is September 1, 2028.

General Obligation Bonds, Series 2017 - On July 26, 2017, the City issued \$13,469,000.00 of general improvement, water utility, and sewer utility bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is July 15, 2037.

The following schedule represents the remaining debt service, through maturity, for the general improvement, water utility and sewer utility bonds:

**Bonded Debt issued and Outstanding**

<u>Year</u>	<u>General</u>		<u>Water Utility</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 2,495,000.00	\$ 732,646.40	\$ 255,000.00	\$ 128,082.29	\$ 395,000.00	\$ 126,978.82	\$ 4,132,707.51
2019	2,555,000.00	650,427.50	265,000.00	119,355.00	395,000.00	108,675.00	4,093,457.50
2020	2,595,000.00	561,740.00	260,000.00	110,605.00	445,000.00	91,575.00	4,063,920.00
2021	2,480,000.00	465,565.00	260,000.00	101,405.00	445,000.00	72,225.00	3,824,195.00
2022	2,500,000.00	375,665.00	290,000.00	92,805.00	450,000.00	53,375.00	3,761,845.00
2023-27	6,739,000.00	911,020.00	1,376,000.00	327,055.00	1,055,000.00	113,650.00	10,521,725.00
2028-32	2,729,000.00	163,110.00	745,000.00	152,725.00	245,000.00	11,850.00	4,046,685.00
2033-37			590,000.00	56,425.00			646,425.00
Totals	\$ 22,093,000.00	\$ 3,860,173.90	\$ 4,041,000.00	\$ 1,088,457.29	\$ 3,430,000.00	\$ 578,328.82	\$ 35,090,960.01

**General Debt - New Jersey Environmental Infrastructure Loans**

The City entered into loan agreements with the State of New Jersey Environmental Infrastructure Trust. The loans consists of two parts - a Trust Loan repayable at market interest rates and a Fund Loan repayable with no interest.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

**Schedule of NJEIT Loans**

<u>Year</u>	<u>Water Utility</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 262,380.66	\$ 135,267.79	\$ 601,904.39	\$ 95,150.31	\$ 1,094,703.15
2019	269,252.20	178,789.18	812,681.60	149,050.00	1,409,772.98
2020	267,736.78	33,587.50	727,833.41	132,600.00	1,161,757.69
2021	279,252.19	29,487.50	737,833.41	120,600.00	1,167,173.10
2022	262,609.60	25,212.50	753,000.39	104,975.00	1,145,797.49
2023-27	1,015,508.40	71,600.00	3,141,728.63	359,850.00	4,588,687.03
2028-32	989,493.69	25,800.00	2,725,005.85	177,712.50	3,918,012.04
2033-37			2,575,956.17	53,425.04	2,629,381.21
Totals	\$ 3,346,233.52	\$ 499,744.47	\$ 12,075,943.85	\$ 1,193,362.85	\$ 17,115,284.69

**Note 15: CAPITAL DEBT (CONT'D)****General Debt - New Jersey Green Acres Loans**

The City entered into 3 loan agreements with the State of New Jersey under the Green Acres and Recreational Act. Provisions of these agreements require the City to repay the loans in semi-annual installments over twenty years bearing interest at two percent commencing nine months from the date of the final receipt of funds. The remaining principal balance on these 3 loans as of December 31, 2017 was \$481,889.33.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

**Schedule of Green Trust Loans**

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 57,118.11	\$ 9,353.62	\$ 66,471.73
2019	58,266.18	8,205.55	66,471.73
2020	59,437.35	7,034.38	66,471.73
2021	60,632.02	5,839.71	66,471.73
2022	53,733.72	4,621.00	58,354.72
2023-27	192,701.95	9,784.56	202,486.51
Totals	<u>\$ 481,889.33</u>	<u>\$ 44,838.82</u>	<u>\$ 526,728.15</u>



**Note 15: CAPITAL DEBT (CONT'D)**

The following schedule represents the City's summary of debt for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 22,574,889.33	\$ 20,218,783.99	\$ 21,819,222.37
Water Utility:			
Bonds, Loans and Notes	7,387,233.52	6,732,604.83	6,227,240.18
Sewer Utility:			
Bonds, Loans and Notes	15,505,943.85	8,479,435.07	10,392,607.84
Total Issued	<u>45,468,066.70</u>	<u>35,430,823.89</u>	<u>38,439,070.39</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	1,631,060.54	5,369,058.54	6,349,946.43
Water Utility:			
Bonds, Loans and Notes	845.22	9,000.22	955,845.22
Sewer Utility:			
Bonds, Loans and Notes	577,315.02	8,301,075.02	9,172,500.00
Total Authorized but not Issued	<u>2,209,220.78</u>	<u>13,679,133.78</u>	<u>16,478,291.65</u>
Total Issued and Authorized but not Issued	<u>47,677,287.48</u>	<u>49,109,957.67</u>	<u>54,917,362.04</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Bonds	1,064,033.58	1,121,153.58	1,208,873.58
Water Utility:			
Self-Liquidating	7,388,078.74	6,741,605.05	7,183,085.40
Sewer Utility:			
Self-Liquidating	16,083,258.87	16,780,510.09	19,565,107.84
Total Deductions	<u>24,535,371.19</u>	<u>24,643,268.72</u>	<u>27,957,066.82</u>
<b>Net Debt</b>	<u>\$ 23,141,916.29</u>	<u>\$ 24,466,688.95</u>	<u>\$ 26,960,295.22</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.457%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 63,536,059.71	\$ 63,536,059.71	
Self-Liquidating	16,083,258.87	16,083,258.87	
General	24,205,949.87	1,064,033.58	\$ 23,141,916.29
	<u>\$ 103,825,268.45</u>	<u>\$ 80,683,352.16</u>	<u>\$ 23,141,916.29</u>

Net debt \$23,141,916.29 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,588,401,492.67, equals 1.457%.

**Note 15: CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	55,594,052.24
Less: Net Debt		<u>23,141,916.29</u>
Remaining Borrowing Power	\$	<u><u>32,452,135.95</u></u>

**Calculation of "Self-Liquidating Purpose,"  
Water Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	4,013,977.32
Deductions:		
Operating and Maintenance Costs	\$	2,941,796.00
Debt Service		<u>600,352.88</u>
Total Deductions		<u>3,542,148.88</u>
Excess in Revenue	\$	<u><u>471,828.44</u></u>

**Calculation of "Self-Liquidating Purpose,"  
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	6,353,509.25
Deductions:		
Operating and Maintenance Costs	\$	4,470,884.00
Debt Service		<u>941,980.26</u>
Total Deductions		<u>5,412,864.26</u>
Excess in Revenue	\$	<u><u>940,644.99</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

**Note 16: SCHOOL TAXES**

Millville School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<b>Balance December 31,</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Balance of Tax	\$ 4,755,105.14	\$ 4,482,565.74
Deferred	<u>1,791,000.00</u>	<u>1,791,000.00</u>
Taxes Payable	<u>\$ 2,964,105.14</u>	<u>\$ 2,691,565.74</u>

**Note 17: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**New Jersey Unemployment Compensation Insurance** - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

The following is a summary of City contributions, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and previous two years:

<b><u>Year</u></b>	<b><u>City Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Interest Earnings</u></b>	<b><u>Amount Reimbursed</u></b>	<b><u>Ending Balance</u></b>
2017	\$ 19,312.34	\$ 37,148.38		\$ 49,050.06	\$ 34,558.89
2016				88,306.45	27,148.23
2015		46,027.98	\$ 1.37	55,510.97	115,454.68

**Joint Insurance Pool** - The City of Millville is a member of the Atlantic County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability  
 General Liability including Police Professional and Employee Benefit Liability  
     Automobile Liability  
 Blanket Crime including Public Employee Dishonesty  
     Property Including Boiler and Machinery  
 Public Officials and Employment Practices Liability  
     Volunteer Directors and Officers Liability  
     Cyber Liability

**Note 17: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool (Cont'd)** - The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation  
Excess General Liability  
Non-Owned Aircraft Liability  
Excess Auto Liability  
Fidelity and Performance (Blanket)  
Excess Property including Boiler and Machinery  
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
Greentree Centre/525 Lincoln Drive West  
PO Box 488  
Marlton, New Jersey 08053  
[www.acmjif.org](http://www.acmjif.org)

Municipal Excess Liability Joint Insurance Fund  
250 Pehle Ave, Suite 701  
Saddlebrook, New Jersey 07663

**Self-Insurance Reserve** – In addition to the commercial insurance and the insurance provided by the public entity risk pools, the City maintained through a self-insurance fund for employee medical insurance and general liability claims. As of December 31, 2017 the balance in the Reserve for Self-Insurance Fund in the Trust Other Fund was \$2,107,934.45. After February 28, 2006 medical insurance was provided by a commercial carrier until February 16, 2010, when the City authorized participation in the State Health Benefits Program. In addition, the Reserve for Self-Insurance Fund is used to satisfy deductibles for commercial insurance and public entity risk pool claims.

The following is a summary of the claims liability of the City's trust fund for self-insured workers' compensation for the current and previous year:

	<u>2017</u>	<u>2016</u>
Incurred Claims	\$ 2,398.11	\$ 2,357.78
Payment of Claims	<u>(2,398.11)</u>	<u>(2,357.78)</u>

There have been no settlements that exceed the City's coverage for years ended December 31, 2017, 2016, and 2015.

**Note 18: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

**Litigation** - The City is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the City, from such litigation is either unknown or potential losses, if any, cannot be determined at this time.

**Note 19: CONCENTRATIONS**

The City depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 20: TAX ABATEMENTS**

The City enters into property tax abatement agreements with local businesses under the state Long Term Tax Exemption Law. Under the Law, municipalities may grant property tax abatements to Urban Renewal Entities to undertake commercial and residential redevelopment projects, relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects.

For the year ended December 31, 2017, the City abated property taxes totaling \$1,607,028.01 including the following tax abatement agreements that each exceeded ten percent (10%) of the total amount abated:

- A seventy-four percent (74%) property tax abatement to a motor sports park. The abatement amounted to \$492,600.00.
- A forty-six percent (46%) property tax reduction for a department store retailer. The abatement amounted to \$225,878.99.
- An eighty-seven percent (87%) property tax reduction for the housing authority. The abatement amounted to \$581,236.53.



**Note 21: RESTATEMENT OF BEGINNING BALANCES****Current Fund**

The beginning balances for Property Acquired for Taxes—Assessed Valuation and Reserve for Receivables in the Current Fund have been restated on the regulatory basis financial statements to record a prior period adjustment to foreclosed properties at the assessed valuation when acquired. There was no impact to Fund Balance for 2017 and 2016.

Property Acquired for Taxes--Assessed Valuation, 12/31/16	\$ 3,892,700.00
Correction to Prior Period	<u>(1,160,470.00)</u>
Property Acquired for Taxes--Assessed Valuation, 12/31/16 (Restated)	<u>\$ 2,732,230.00</u>
Reserve for Receivables, 12/31/16	\$ 5,324,919.23
Correction to Prior Period	<u>(1,160,470.00)</u>
Reserve for Receivables, 12/31/16 (Restated)	<u>\$ 4,164,449.23</u>

**Trust - Other Fund**

The beginning balances for Accounts Receivable – Public Defender Fees and the offsetting reserve have been restated on the regulatory basis financial statements to record a prior period adjustment. There was no impact to Fund Balance for 2017 and 2016.

Accounts Receivable - Public Defender Fees, 12/31/16	\$ 314,665.65
Correction to Prior Period	<u>(314,665.65)</u>
Accounts Receivable - Public Defender Fees, 12/31/16 (Restated)	<u>\$ -</u>
Reserve for Receivables - Public Defender Fees, 12/31/16	\$ 314,665.65
Correction to Prior Period	<u>(314,665.65)</u>
Reserve for Receivables - Public Defender Fees, 12/31/16 (Restated)	<u>\$ -</u>

**Note 21: RESTATEMENT OF BEGINNING BALANCES (CONT'D)****Trust - Community Development Fund**

The beginning balances for Other Receivables - CDBG and the offsetting reserve have been restated on the regulatory basis financial statements to record a prior period adjustment. There was no impact to Fund Balance for 2017 and 2016.

Other Receivables - CDBG, 12/31/16	\$ 32,448.35
Correction to Prior Period	<u>(32,448.35)</u>
Other Receivables - CDBG, 12/31/16 (Restated)	<u>\$ -</u>
Reserve for Receivables - CDBG, 12/31/16	\$ 32,448.35
Correction to Prior Period	<u>(32,448.35)</u>
Reserve for Receivables - CDBG, 12/31/16 (Restated)	<u>\$ -</u>

**Water Capital Fund**

The beginning balances for Fixed Capital, Fixed Capital Authorized and Uncompleted, Reserve for Amortization and Deferred Reserve for Amortization in the Water Capital Fund have been restated on the regulatory basis financial statements to record a prior period adjustment for capital outlay expenditures and completed capital ordinances from 2016, 2015 and 2014. There was no impact to Fund Balance for 2017 and 2016.

Fixed Capital, 12/31/16	\$ 14,040,638.01
Correction to Prior Period	<u>7,935,466.88</u>
Fixed Capital, 12/31/16 (Restated)	<u>\$ 21,976,104.89</u>
Fixed Capital - Authorized and Uncompleted, 12/31/16	\$ 9,303,138.88
Correction to Prior Period	<u>(8,204,902.57)</u>
Fixed Capital - Authorized and Uncompleted, 12/31/16 (Restated)	<u>\$ 1,098,236.31</u>
Reserve for Amortization, 12/31/16	\$ 14,903,654.89
Correction to Prior Period	<u>309,520.09</u>
Reserve for Amortization, 12/31/16 (Restated)	<u>\$ 15,213,174.98</u>

**Note 21: RESTATEMENT OF BEGINNING BALANCES (CONT'D)****Water Capital Fund (Cont'd)**

Deferred Reserve for Amortization, 12/31/16	\$ 1,698,516.95
Correction to Prior Period	<u>(578,955.78)</u>
Deferred Reserve for Amortization, 12/31/16 (Restated)	<u>\$ 1,119,561.17</u>

**Sewer Capital Fund**

The beginning balances for Fixed Capital, Fixed Capital Authorized and Uncompleted, Reserve for Amortization and Deferred Reserve for Amortization in the Sewer Capital Fund have been restated on the regulatory basis financial statements to record a prior period adjustment for capital outlay expenditures and completed capital ordinances from 2016, 2015 and 2014. There was no impact to Fund Balance for 2017 and 2016.

Fixed Capital, 12/31/16	\$ 23,575,158.54
Correction to Prior Period	<u>4,732,957.77</u>
Fixed Capital, 12/31/16 (Restated)	<u>\$ 28,308,116.31</u>
Fixed Capital - Authorized and Uncompleted, 12/31/16	\$ 24,314,422.25
Correction to Prior Period	<u>(4,461,305.61)</u>
Fixed Capital - Authorized and Uncompleted, 12/31/16 (Restated)	<u>\$ 19,853,116.64</u>
Reserve for Amortization, 12/31/16	\$ 27,090,214.26
Correction to Prior Period	<u>1,349,353.12</u>
Reserve for Amortization, 12/31/16 (Restated)	<u>\$ 28,439,567.38</u>
Deferred Reserve for Amortization, 12/31/16	\$ 4,018,856.44
Correction to Prior Period	<u>(1,077,700.96)</u>
Deferred Reserve for Amortization, 12/31/16 (Restated)	<u>\$ 2,941,155.48</u>

**Note 22: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2017, several tax appeals were on file against the City. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the City, the estimated impact of the tax refunds could be material.

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**



CITY OF MILLVILLE  
CURRENT FUND  
Statement of Current Cash  
Treasurer  
For the Year Ended December 31, 2017

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2016	\$ 18,058,526.03	\$ 1,098,429.26
Increased by Receipts:		
Trust Other Fund	\$ 54,219.91	
Community Development Fund	29,687.00	
Sewer Utility Operating Fund	5,868.18	
Interest and Costs on Taxes	192,287.70	
Interest on Investments and Deposits	136,587.69	
Consolidated Municipal Property Tax Relief Aid	197,695.00	
Energy Receipts Tax	4,022,178.00	
Reserve for Payment of Debt Service	87,720.00	
Utility Surplus of Prior Years:		
Water Utility	201,586.00	
Sewer Utility	385,290.00	
Miscellaneous Revenue not Anticipated	596,164.74	
Due from State of New Jersey-- Veterans' and Senior Citizens' Deductions	248,092.25	
Protested Checks	450.00	
Taxes Receivable	48,558,707.34	
Tax Title Liens	20,292.89	
Penalty Surcharge Receivable	8,659.48	
Property Maintenance Assessments Receivable	191,638.48	
Revenue Accounts Receivable	3,109,420.36	
Appropriation Reserves Refunds	14,499.99	
Prepaid Taxes	760,758.67	
State Library Aid	12,312.00	
Due State of New Jersey--Marriage License Fees	3,825.00	
Due State of New Jersey--Burial Fees	5.00	
Reserve for Garden State Preservation Trust Fund	29,852.00	
Reserve for Insurance Proceeds	48,902.29	
Federal and State Grants Receivable		\$ 817,298.53
Federal and State Grants Appropriated:		
Interest Earned and Refunds		1,433.10
Matching Funds For Grants		7,898.50
	<u>58,916,699.97</u>	<u>826,630.13</u>
Carried Forward	76,975,226.00	1,925,059.39

(Continued)

CITY OF MILLVILLE  
CURRENT FUND  
Statement of Current Cash  
Treasurer  
For the Year Ended December 31, 2017

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$ 76,975,226.00	\$ 1,925,059.39
Decreased by Disbursements:		
Trust Other Fund	\$ 39,852.38	
Community Development Fund	28,466.61	
Animal Control Fund	44.51	
Water Utility Operating Fund	1,383.15	
Protested Checks	14,564.94	
2017 Appropriations	26,508,520.01	
2016 Appropriation Reserves	616,031.45	
Accounts Payable	40,351.97	
Local School Taxes Payable	11,735,302.60	
County Taxes	18,521,461.31	
County Added and Omitted Taxes	28,819.90	
Reserve for Tax Appeals	6,821.61	
State Library Aid	12,312.00	
Due State of New Jersey--Marriage License Fees	3,950.00	
Due State of New Jersey--Burial Fees	5.00	
Reserve for Insurance Proceeds	15,628.54	
Matching Funds For Grants	7,898.50	
Federal and State Grants--Appropriated	<u>\$ 1,045,234.94</u>	
	<u>57,581,414.48</u>	<u>1,045,234.94</u>
Balance December 31, 2017	<u><u>\$ 19,393,811.52</u></u>	<u><u>\$ 879,824.45</u></u>

CITY OF MILLVILLE  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2017

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<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 1,000.00
Water and Sewer Department	300.00
Municipal Court	200.00
Clerk	<u>700.00</u>
	<u>\$ 2,200.00</u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Due From State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016			\$ 44,562.01
Increased by:			
Deductions per Tax Billings	\$ 258,750.00		
Deductions Allowed by Tax Collector	<u>33,841.85</u>		
		\$ 292,591.85	
Less: Deductions Disallowed by Tax Collector			
2017		<u>6,032.49</u>	
		286,559.36	
Less: Deductions Disallowed by Tax Collector			
2016		<u>5,876.05</u>	
			<u>280,683.31</u>
			325,245.32
Decreased By:			
Receipts			<u>248,092.25</u>
Balance Dec. 31, 2017			<u><u>\$ 77,153.07</u></u>

Exhibit SA-4

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Protested Checks  
For the Year Ended December 31, 2017

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Increased by:			
Checks Protested			\$ 14,564.94
Decreased by:			
Receipts			<u>450.00</u>
Balance Dec. 31, 2017			<u><u>\$ 14,114.94</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
**Statement of Taxes Receivable and Analysis of Property Tax Levy**  
**For the Year Ended December 31, 2017**

Year	Balance Dec. 31, 2016	Current 2017 Levy	Added Taxes	Collections		Due from State of New Jersey	Over- Payments Applied	Cancellations by Tax Appeals Funded by Reserve for Tax Appeals	Transfer to Foreclosed Property	Canceled	Transferred to Tax Title Liens	Transfers	Balance Dec. 31, 2017
Arrears 2016	\$ 34,758.99 1,098,823.12		\$ 5,876.05	\$	9,138.02 1,021,110.35			\$ 23,747.86 14,609.27		\$ 60,534.89	\$ 3,033.16	\$ 4,906.27 8,444.66	
2017	1,133,582.11		5,876.05		1,030,248.37			38,357.13		60,534.89	3,033.16		13,350.93
		\$ 49,360,037.10	\$	365,337.04	47,528,458.97	\$ 286,559.36	\$ 69,497.80	\$ 50,566.16	\$ 2,920.30	71,856.14	51,502.66	(3,033.16)	930,305.51
	\$ 1,133,582.11	\$ 49,360,037.10	\$ 5,876.05	\$ 365,337.04	\$ 48,558,707.34	\$ 286,559.36	\$ 69,497.80	\$ 50,566.16	\$ 2,920.30	\$ 110,213.27	\$ 112,037.55	-	\$ 943,656.44
Analysis of Year 2017 Property Tax Levy													
Tax Yield													
General Purpose Tax			\$ 49,219,965.65										
Added Taxes (54:4-63 et seq.)			140,071.45										
					\$ 49,360,037.10								
Tax Levy													
Local District School Tax:													
School Budget													
County Taxes:													
County Tax		\$ 17,522,539.38											
County Health Tax		837,193.36											
County Open Space		161,728.57											
		18,521,461.31											
		52,680.12											
Due County for Added and Omitted Taxes													
Total County Taxes			18,574,141.43										
Local Tax for Municipal Purposes		18,664,053.00											
Addition to Local Tax for Municipal Purposes		114,000.67											
Local Tax for Municipal Purposes Levied			18,778,053.67										
					\$ 49,360,037.10								



**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 165,187.12
Increased by:		
Transfers from Taxes Receivable		<u>112,037.55</u>
		277,224.67
Decreased by:		
Transfer to Foreclosed Property	\$ 101,156.51	
Canceled	37,336.46	
Collections	<u>20,292.89</u>	
		<u>158,785.86</u>
Balance Dec. 31, 2017		<u><u>\$ 118,438.81</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Penalty Surcharge Receivable  
For the Year Ended December 31, 2017

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Increased by:		
Delinquency Penalty Accrued	\$	19,906.80
Decreased by:		
Collections		<u>8,659.48</u>
Balance Dec. 31, 2017	\$	<u><u>11,247.32</u></u>

## Exhibit SA-8

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Property Maintenance Assessments Receivable  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$	109,447.81
Increased by:			
Assessments Levied			<u>264,382.13</u>
			373,829.94
Decreased by:			
Canceled	\$	12,338.38	
Collections		<u>191,638.48</u>	
			<u>203,976.86</u>
Balance Dec. 31, 2017	\$		<u><u>169,853.08</u></u>

CITY OF MILLVILLE  
CURRENT FUND  
Statement of Property Acquired for Taxes--Assessed Valuation  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016 (Restated)		\$ 2,732,230.00
Increased by:		
Transfers from Taxes Receivable	\$ 2,920.30	
Transfers from Tax Title Liens	101,156.51	
Adjustment to Assessed Value	<u>27,523.19</u>	
		<u>131,600.00</u>
		2,863,830.00
Decreased by:		
Loss on Sales	125,100.00	
Cash from Sales - Miscellaneous Revenue not Anticipated	<u>5,400.00</u>	
		<u>130,500.00</u>
Balance Dec. 31, 2017		<u><u>\$ 2,733,330.00</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u> <u>in 2017</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
City Clerk:				
Licenses:				
Alcoholic Beverages	\$	14,740.00	\$	14,740.00
Other		14,674.00		14,674.00
Fees and Permits		595,514.73		595,514.73
Construction Code Official		140,251.60		140,251.60
Uniform Fire Safety Act Fees and Permits		118,384.08		118,384.08
Tax Search Fees and Municipal Improvement				
Search Fees		220.00		220.00
Street Opening Permits		188,011.00		188,011.00
Planning and Zoning Board Fees		42,035.37		42,035.37
Municipal Court--Fines and Costs	\$	388,008.03	\$	379,568.06
Housing Inspector Fees and Permits		398,109.00		398,109.00
Police Fees and Permits		40.00		40.00
Manufactured Homes Annual Service Fee		238,615.89		238,615.89
Cable TV--Franchise Fee		99,687.01		99,687.01
Gasoline -- Millville Board of Education		8,069.43		8,069.43
Shared Services Agreement - Tax Assessor		30,000.00		30,000.00
Payment in Lieu of Taxes--Housing Authority		86,453.60		86,453.60
Payments in Lieu of Taxes--Abatements		391,265.95		391,265.95
Payment in Lieu of Taxes--Senior Center		35,568.47		35,568.47
Hotel Motel Tax		151,532.17		151,532.17
Rent--Millville Library		176,680.00		176,680.00
	<u>\$</u>	<u>20,945.49</u>	<u>\$</u>	<u>29,385.46</u>
	\$	3,117,860.33	\$	3,109,420.36
	\$		\$	29,385.46

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of 2016 Appropriation Reserves  
 For the Year Ended December 31, 2017

	<u>Balance</u> Dec. 31, 2016		<u>Balance</u> After <u>Transfers</u>	<u>Disbursed</u>	<u>Accounts</u> <u>Payable</u>	<u>Refunds</u>	<u>Balanced</u> <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>					
OPERATIONS--WITHIN "CAPS"							
General Government Functions							
General Administration							
Salaries and Wages	\$ 1,782.12	\$	1,782.12				\$ 1,782.12
Other Expenses	15,442.41		15,442.41	41.67			15,400.74
Human Resources							
Salaries and Wages	6,693.85		6,693.85				6,693.85
Other Expenses	8,284.68		8,284.68	41.91			8,242.77
Board of Commissioners							
Salaries and Wages	11,057.91		11,057.91				11,057.91
Other Expenses	4,978.91		4,978.91	274.45			4,704.46
Municipal Clerk's Office							
Salaries and Wages	15,645.04		15,645.04				15,645.04
Other Expenses	2,633.38	\$ 4,262.65	6,896.03	4,313.44			2,582.59
Financial Administration							
Salaries and Wages	44,579.19		44,579.19				44,579.19
Other Expenses	7,097.91	3,895.06	10,992.97	4,402.03			6,590.94
Annual Audit	50,000.00		50,000.00	41,500.00			8,500.00
Information Technology							
Salaries and Wages	7,661.89		7,661.89				7,661.89
Other Expenses	23,389.26	36,998.98	60,388.24	35,030.95			25,357.29
Collection of Taxes							
Salaries and Wages	1,026.38		1,026.38				1,026.38
Other Expenses	5,777.50	271.50	6,049.00	408.09			5,640.91
Assessment of Taxes							
Salaries and Wages	3,740.16		3,740.16				3,740.16
Other Expenses	42,862.49	4,218.36	47,080.85	6,217.93			40,862.92
Legal Services and Costs							
Other Expenses	981.63	6,078.93	7,060.56	971.02	\$ 35.00		6,054.54

(Continued)



**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Disbursed	Accounts Payable	Refunds	Balanced Lapsed
	<u>Reserved</u>	<u>Encumbered</u>					
OPERATIONS--WITHIN "CAPS" (CONT'D)							
General Government Functions (Cont'd)							
Municipal Court							
Salaries and Wages	\$ 2,426.88	\$	2,426.88				\$ 2,426.88
Other Expenses	10,827.17	433.84	11,261.01	\$ 2,571.81	\$ 105.00		8,584.20
Public Defender							
Other Expenses	4,425.60	2,062.50	6,488.10				6,488.10
Engineering Services and Costs							
Salaries and Wages	2,541.46		2,541.46				2,541.46
Other Expenses	12,450.67	8,975.42	21,426.09	6,117.69	3,115.20		12,193.20
Economic and Industrial Development							
Other Expenses	2.00	1,387.47	1,389.47	1,389.47			
Land Use Administration							
Planning/Community Development							
Other Expenses	28,837.80	10,492.67	39,330.47	20,228.78			19,101.69
Planning Board							
Salaries and Wages	3,712.70		3,712.70				3,712.70
Other Expenses	1,167.77	22.75	1,190.52	108.49			1,082.03
Zoning Board Adjustment							
Salaries and Wages	760.45		760.45				760.45
Other Expenses	8,379.07	23.82	8,402.89	632.61			7,770.28
Bureau of Permits and Inspections							
Salaries and Wages	55,014.69		55,014.69		\$ 14,499.99		69,514.68
Other Expenses	21,787.28	24,337.66	46,124.94	22,062.24			24,062.70

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Disbursed	Accounts Payable	Refunds	Balanced Lapsed
	Reserved	Encumbered					
OPERATIONS--WITHIN "CAPS" (CONT'D)							
Insurance	\$		\$				\$
Surety Bond Premiums	3,750.00		3,750.00				3,750.00
Liability Insurance	19,004.42		19,004.42				19,004.42
Workers Compensation	85,850.88		85,850.88				85,850.88
Employee Group Health	389,917.24		389,917.24				389,917.24
Public Safety Functions							
Police							
Salaries and Wages	336,519.36	\$ 100,000.00	436,519.36	\$ 33,090.19	\$ 100,000.00		303,429.17
Other Expenses	5,690.98	129,354.65	135,045.63	95,237.08			39,808.55
Office of Emergency Management							
Salaries and Wages	805.44		805.44				805.44
Other Expenses	5,624.59	2,073.34	7,697.93	3,308.94			4,388.99
Fire Department							
Salaries and Wages	7,325.71		7,325.71				7,325.71
Other Expenses	4,171.54	29,553.49	33,725.03	26,919.37			6,805.66
Municipal Prosecutor's Office							
Other Expenses	19,212.47	5,250.00	24,462.47				24,462.47
Uniform Fire Safety Act							
Salaries and Wages	12,779.86		12,779.86				12,779.86
Other Expenses	349.19	1,086.79	1,435.98	700.13			735.85
Streets and Road Repairs and Maintenance							
Salaries and Wages	109,807.09		109,807.09	13,387.22			96,419.87
Other Expenses	7,350.46	11,177.32	18,527.78	8,903.29	90.00		9,534.49
Shade Tree Commission							
Salaries and Wages	0.04		0.04				0.04
Other Expenses	350.00	1,960.00	2,310.00	1,694.89			615.11
Solid Waste and Recycling Collection							
Salaries and Wages	5,759.37		5,759.37				5,759.37
Other Expenses	134,192.59	95,732.33	229,924.92	69,834.72			160,090.20
Solid Waste Recycling -- Apartments	75.70	331.10	406.80				406.80

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Disbursed	Accounts Payable	Refunds	Balanced Lapsed
	<u>Reserved</u>	<u>Encumbered</u>					
OPERATIONS--WITHIN "CAPS" (CONT'D)							
Public Safety Functions (Cont'd)							
Public Buildings and Grounds							
Salaries and Wages	\$ 5,864.37	\$ 31,090.59	\$ 5,864.37				\$ 5,864.37
Other Expenses	17,156.16		48,246.75	\$ 12,034.11	\$ 1,764.91		34,447.73
Fleet Management							
Salaries and Wages	4,319.95		4,319.95				4,319.95
Other Expenses	3,571.03	651.59	4,222.62	2,184.54			2,038.08
Health and Human Services							
Animal Control Services							
Salaries and Wages	4,881.89		4,881.89				4,881.89
Other Expenses	27.30	776.00	803.30	776.00			27.30
Recreation and Public Events							
Recreation							
Salaries and Wages	4,799.20	1,052.50	5,851.70				5,851.70
Other Expenses	6,280.29		6,280.29	3,682.87			2,597.42
Federal and Downtown Maintenance							
Salaries and Wages	82.85		82.85				82.85
Other Expenses	9,476.03	918.35	10,394.38	918.35			9,476.03
Parks and Playgrounds							
Salaries and Wages	10,308.70		10,308.70				10,308.70
Other Expenses	13,098.08	8,370.11	21,468.19	14,091.67	71.00		7,305.52
Celebration of Public Event, Anniversary, or Holiday							
Other Expenses	11,257.31		11,257.31				11,257.31

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of 2016 Appropriation Reserves  
 For the Year Ended December 31, 2017

	Balance		Balance After Transfers	Disbursed	Accounts Payable	Refunds	Balanced Lapsed
	Dec. 31, 2016 Reserved	Encumbered					
OPERATIONS--WITHIN "CAPS" (CONT'D)							
Code Enforcement and Administration							
State Uniform Construction Code (NJSA52:27D et seq.)							
Construction Official							
Salaries and Wages	\$ 14,853.36	\$	14,853.36				\$ 14,853.36
Other Expenses	5,343.00	211.01	5,554.01	4,556.21			997.80
Subcode Officials:							
Electrical Inspector							
Salaries and Wages	10,832.00		10,832.00				10,832.00
Unclassified							
Utilities:							
Electricity	143,170.33		143,170.33	25,716.93			117,453.40
Street Lighting	74,955.62	5,502.19	80,457.81	29,762.92			50,694.89
Telephone	31,361.73		31,361.73	27,599.69			3,762.04
Natural Gas	31,571.60		31,571.60	9,784.13			21,787.47
Gasoline	143,073.27		143,073.27	10,951.45			132,121.82
Landfill/Solid Waste Disposal Costs	141,559.18	2,969.00	144,528.18	55,555.91			88,972.27
Contingent	2,000.00		2,000.00				2,000.00

(Continued)

CITY OF MILLVILLE  
CURRENT FUND  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers		Disbursed	Accounts Payable	Refunds	Balanced Lapsed
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>					
OPERATIONS--WITHIN "CAPS" (CONT'D)								
Statutory Expenditures:								
Contribution to:								
Social Security (O.A.S.I.)	\$ 69,468.27		\$ 69,468.27					\$ 69,468.27
Unemployment Compensation Insurance	16,000.00		16,000.00	\$	16,000.00			
Defined Contribution Retirement Program	3,000.00		3,000.00		92.99			2,907.01
Total General Appropriations for Municipal Purposes Within--"CAPS"	2,332,816.70	\$ 531,521.97	2,864,338.67		613,096.18	\$ 105,181.11	\$ 14,499.99	2,160,561.37
OPERATIONS EXCLUDED FROM "CAPS"								
Interlocal Service Agreement								
Millville Board of Education - Gasoline Insurance N.J.S.A. 40A:4-45.3(oo)	12,091.31		12,091.31		551.26			11,540.05
Group Insurance for Employees	77,413.00		77,413.00					77,413.00
Interest on Tax Appeals	10,000.00		10,000.00					10,000.00
Recycling Tax (P.L. 2007, c.311)	13,759.33		13,759.33		2,384.01			11,375.32
Length of Service Award Program	13,900.00		13,900.00					13,900.00
Matching Funds for Grants	42,101.50		42,101.50					42,101.50
Total Operations--Excluded from "CAPS"	169,265.14		169,265.14		2,935.27			166,329.87
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	169,265.14		169,265.14		2,935.27			166,329.87
	\$ 2,502,081.84	\$ 531,521.97	\$ 3,033,603.81	\$	616,031.45	\$ 105,181.11	\$ 14,499.99	\$ 2,326,891.24



**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Accounts Payable  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 258,751.78
Increased by:	
Transfer from 2016 Appropriation Reserves	<u>\$ 105,181.11</u>
	<u>105,181.11</u>
	363,932.89
Decreased by:	
Disbursements	40,351.97
Canceled to Fund Balance	<u>60,471.35</u>
	<u>100,823.32</u>
Balance Dec. 31, 2017	<u><u>\$ 263,109.57</u></u>

Exhibit SA-13

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Due to State of New Jersey - Marriage License Fees  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 429.00
Increased by:	
Receipts	<u>3,825.00</u>
	4,254.00
Decreased by:	
Disbursements	<u>3,950.00</u>
Balance Dec. 31, 2017	<u><u>\$ 304.00</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 93,255.30
Decreased by:		
Canceled	\$ 10,076.34	
Applied to Taxes Receivable	<u>69,497.80</u>	
		<u>79,574.14</u>
Balance Dec. 31, 2017		<u><u>\$ 13,681.16</u></u>

## Exhibit SA-15

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016 (2017 Taxes)	\$ 365,337.04
Increased by:	
Collections	<u>760,758.67</u>
	1,126,095.71
Decreased by:	
Application to 2017 Taxes Receivable	<u>365,337.04</u>
Balance Dec. 31, 2017 (2018 Taxes)	<u><u>\$ 760,758.67</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Local District School Tax  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		
School Tax Deferred	\$ 1,791,000.00	
School Tax Payable	<u>2,691,565.74</u>	\$ 4,482,565.74
Increased by:		
Levy - School Fiscal Year		<u>12,007,842.00</u>
		16,490,407.74
Decreased by:		
Payments		<u>11,735,302.60</u>
Balance Dec. 31, 2017		
School Tax Deferred	1,791,000.00	
School Tax Payable	<u>2,964,105.14</u>	\$ <u>4,755,105.14</u>
Liability for Local District		
School Tax:		
Tax Paid	\$ 11,735,302.60	
Tax Payable Dec. 31, 2017	<u>2,964,105.14</u>	
	14,699,407.74	
Less: Tax Payable Dec. 31, 2016	<u>2,691,565.74</u>	
Amount Charged to Operations		<u>\$ 12,007,842.00</u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Due County for Added Taxes  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 28,819.90
2017 Levy:	
Added Taxes (2017)	<u>52,680.12</u>
	81,500.02
Decreased by Payment	<u>28,819.90</u>
Balance December 31, 2017	<u><u>\$ 52,680.12</u></u>

## Exhibit SA-18

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Reserve for Garden State Preservation Trust Fund  
For the Year Ended December 31, 2017

Increased by:	
Receipts	\$ 29,852.00
Decreased by:	
Realized as Revenue in Budget	<u><u>\$ 29,852.00</u></u>

## Exhibit SA-19

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Reserve for Tax Appeals  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 2,617,628.84
Increased by:	
Budget Appropriation	<u>200,000.00</u>
	2,817,628.84
Decreased by:	
Refunds	\$ 6,821.61
Applied to Taxes Receivable	<u>50,566.16</u>
	<u>57,387.77</u>
Balance Dec. 31, 2017	<u><u>\$ 2,760,241.07</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Reserve for Insurance Proceeds  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 147,330.32
Increased by:	
Insurance Proceeds Received	<u>48,902.29</u>
	196,232.61
Decreased by:	
Disbursements	<u>15,628.54</u>
Balance Dec. 31, 2017	<u><u>\$ 180,604.07</u></u>

Exhibit SA-21

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Schedule of Reserve for Proceeds from Sale of Municipal Assets  
As of December 31, 2017

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Balance Dec. 31, 2017	<u><u>\$ 127,790.00</u></u>
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CITY OF MILLVILLE  
FEDERAL AND STATE GRANT FUND  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Accrued	Received	Balance Dec. 31, 2017
Federal Grants:				
U.S. Department of Homeland Security				
Passed thru N.J. Department of Law and Public Safety:				
Distracted Driving Crackdown		\$ 5,500.00	\$ 5,500.00	
Click it or Ticket	\$ 1,800.00	5,500.00	5,500.00	\$ 1,800.00
Drive Sober or Get Pulled Over	5,000.00	5,500.00	3,800.00	6,700.00
U.S. Department of Homeland Security				
EMA Exercise Grant	14,000.00		7,000.00	7,000.00
U.S. Department of Environmental Protection				
Municipal Public Access Plan & Coastal Hazards		9,947.50	9,947.50	
U.S. Department of Justice				
Justice Assistance Grant	0.20			0.20
Local Law Enforcement Grant	22,026.00			22,026.00
Bulletproof Vest Partnership	4,755.97	10,815.92		15,571.89
Total Federal Grants	47,582.17	37,263.42	31,747.50	53,098.09
State Grants:				
N.J. Department of Transportation				
Highway Planning and Construction:				
Authority Act--Municipal Aid	60,440.43			60,440.43
Authority Act--Whitaker Ave. & Miller Ave.	25,000.00			25,000.00
Authority Act--South Fifth Street Road Improvement	42,500.00			42,500.00
Authority Act - 7th Street Road Reconstruction	9,842.07			9,842.07
Local Aid for Centers and State Plan Implementation Program	3,825.34			3,825.34
Local Aid Bikeway Program	390,008.25		390,000.00	8.25
Local Aid Centers of Place Program	76,518.23			76,518.23
FY14 - 3rd Street Improvements		36,370.00		36,370.00
FY15 - 3rd Street Improvements		213,300.00		213,300.00
FY16 - High Street Resurfacing		225,481.00		225,481.00
FY17 - 6th Street Road Reconstruction		235,946.00		235,946.00
Safe Streets to Transit Program	200,000.00	280,000.00		480,000.00
Bikeway Program Maurice River Phase V	517,000.00			517,000.00
Safe Corridors		22,916.66	22,916.66	
N.J. Department of Community Affairs				
Hazardous Discharge Site Remediation	692,394.52			692,394.52
NJ Historic Preservation	2,590.51			2,590.51
N.J. Department of Environmental Protection				
Clean Communities		62,582.13	62,582.13	
Recycling Tonnage Grant		175,018.09	175,018.09	
NJ Forest Service	3,000.00		3,000.00	
N.J. Department of Law and Public Safety				
Safe and Secure Communities Program	67,855.73	90,000.00	90,000.00	67,855.73
Body Armor Replacement Fund		6,847.26	6,847.26	
N.J. Department of State				
Municipal Alliance Program	35,685.39	31,594.00	30,186.89	37,092.50
Total State Grants	2,126,660.47	1,380,055.14	780,551.03	2,726,164.58
Other Grants:				
Sustainable Jersey Small Grant	5,000.00		5,000.00	
Total Other Grants	5,000.00	-	5,000.00	-
Total All Grants	\$ 2,179,242.64	\$ 1,417,318.56	\$ 817,298.53	\$ 2,779,262.67

CITY OF MILLVILLE  
FEDERAL AND STATE GRANT FUND  
Statement of Reserve for Federal and State Grants--Appropriated  
For the Year Ended December 31, 2017

Program	Balance Dec. 31, 2016	Transferred from 2017 Budget	Refunds and Interest Earned	Disbursed	Encumbered	Balance Dec. 31, 2017
<u>Appropriated</u>	<u>Encumbered</u>	<u>Appropriation</u>				
Federal Grants:						
U.S. Department of Transportation						
Passed thru N.J. Department of Law and Public Safety						
Click It or Ticket	\$ 1,800.00	\$ 5,500.00	\$	5,500.00		\$ 1,800.00
Distracted Driving Crackdown Grant		5,500.00		5,500.00		
Drive Sober or Get Pulled Over	2,000.00	5,500.00		3,880.00		3,620.00
Flammable Liquids Firefighter Training	236.36					236.36
U.S. Department of Homeland Security						
Emergency Management Assistance Grant	3,733.32					3,733.32
Emergency Management Assistance Grant	10,000.00					10,000.00
2011 EMA Exercise Grant	69.88					69.88
2009 EMA Exercise Grant	4,662.42					4,662.42
U.S. Department of Environmental Protection						
Municipal Public Access Plan & Coastal Hazards	15,000.00			14,220.00	780.00	
U.S. Department of Justice						
Bulletproof Vest Partnership Grant	5,847.88	10,815.92	\$ 1,433.10	4,478.91		12,184.89
Justice Assistance Grant	32,431.29			22,026.00		11,838.39
Total Federal Grants	75,781.15	-	1,433.10	55,604.91	780.00	48,145.26

(Continued)

**CITY OF MILLVILLE**  
**FEDERAL AND STATE GRANT FUND**  
**Statement of Reserve for Federal and State Grants--Appropriated**  
**For the Year Ended December 31, 2017**

Program	Balance Dec. 31, 2016	Encumbered	Transferred from 2017 Budget	Refunds and Interest Earned	Disbursed	Encumbered	Balance Dec. 31, 2017
<b>State Grants:</b>							
N.J. Department of Transportation:							
N.J. Transportation Trust Fund:							
FY 2014 Awards	\$ 181,850.00	\$ 3,700.00	\$ 36,370.00	\$	\$ 205,576.89	\$ 500.00	\$ 15,843.11
3rd Street Improvements							
FY 2015 Awards			213,300.00		199,012.97		14,287.03
3rd Street Improvements							
FY 2016 Awards			225,481.00			215,179.40	10,301.60
High Street Resurfacing							
FY 2017 Awards			235,946.00				235,946.00
6th Street Road Reconstruction	517,000.00						517,000.00
Bikeway Program Maurice River Phase V	3,272.72	31,968.00	22,916.66		31,968.00		26,189.38
Highway Safety "Safe Corridors Program"	200,000.00		280,000.00		139,240.48	21,157.77	319,601.75
Safe Streets to Transit Program	50.00						50.00
2014 N.J. UEZ	158,725.59	4,462.48	62,582.13		113,655.30	583.33	111,531.57
Clean Communities Program	69,695.75	10,708.00	100,503.94		125,281.45		55,626.24
Recycling Tonnage Grant	1,400.00						1,400.00
Recycling Tonnage Grant - Purchase of Trash Truck	41,538.72		90,000.00		86,898.48		44,640.24
Safe & Secure Communities	6,471.30	959.00	6,847.26		5,004.09		9,273.47
Body Armor Replacement Fund	23,885.45				152.50		23,732.95
Drunk Driving Enforcement	1,817,674.34	81,695.25			37,259.10	44,436.15	1,817,674.34
Hazardous Discharge Site Remediation	2,212.22						2,212.22
Alcohol Education & Rehabilitation							
N.J. Department of State							
Municipal Alliance Grant	24,697.38	880.70	39,492.50		40,840.68	331.90	23,898.00
<b>Total State Grants</b>	<b>3,048,473.47</b>	<b>134,373.43</b>	<b>1,313,439.49</b>	<b>-</b>	<b>984,889.94</b>	<b>282,188.55</b>	<b>3,229,207.90</b>
<b>Other Grants:</b>							
Sustainable Jersey Small Grant	3,311.68	1,638.35			4,740.09		209.94
Cumberland County Wastewater Grant	8,707.17						8,707.17
<b>Total Other Grants</b>	<b>12,018.85</b>	<b>1,638.35</b>	<b>-</b>	<b>-</b>	<b>4,740.09</b>	<b>-</b>	<b>8,917.11</b>
<b>Total All Grants</b>	<b>\$ 3,136,273.47</b>	<b>\$ 136,011.78</b>	<b>\$ 1,340,755.41</b>	<b>\$ 1,433.10</b>	<b>\$ 1,045,234.94</b>	<b>\$ 282,968.55</b>	<b>\$ 3,286,270.27</b>

**CITY OF MILLVILLE**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants--Unappropriated  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Federal and State Grants Receivable	Anticipated as Budgeted Revenue	Balance Dec. 31, 2017
<b>Federal Grants:</b>				
U.S. Department of Environmental Protection Municipal Public Access Plan & Coastal Hazards	\$	9,947.50	\$	9,947.50
U.S. Department of Justice Bulletproof Vest Partnership		10,815.92	\$ 10,815.92	
<b>Total Federal Grants</b>	-	20,763.42	10,815.92	9,947.50
<b>State Grants:</b>				
N.J. Department of Transportation:				
FY14 - 3rd Street Improvements		36,370.00	36,370.00	
FY15 - 3rd Street Improvements		213,300.00	213,300.00	
FY16 - High Street Resurfacing		225,481.00	225,481.00	
FY17 - 6th Street Road Reconstruction		235,946.00	235,946.00	
Safe Streets to Transit Program		280,000.00	280,000.00	
Highway Safety "Safe Corridors Program"		22,916.66	22,916.66	
Clean Communities Program		62,582.13	62,582.13	
Recycling Tonnage Grant		175,018.09	100,503.94	74,514.15
Safe & Secure Communities		90,000.00	90,000.00	
Body Armor Replacement Fund		6,847.26	6,847.26	
Click it or Ticket		5,500.00	5,500.00	
Distracted Driving Grant		5,500.00	5,500.00	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Municipal Alliance		31,594.00	31,594.00	
<b>Total State Grants</b>	-	1,396,555.14	1,322,040.99	74,514.15
<b>Total All Grants</b>	-	\$ 1,417,318.56	\$ 1,332,856.91	\$ 84,461.65

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**



CITY OF MILLVILLE  
TRUST FUND  
Statement of Trust Cash -- Treasurer  
For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Other</u>	<u>Community Development</u>			
Balance December 31, 2016	\$	23,315.11	\$	5,618,125.95	\$	202,698.75
Increased by Receipts:						
Current Fund	\$	44.51	\$	39,852.38	\$	28,466.61
Community Development Fund				7,085.25		
Trust Other Fund						4,151.24
Net Payroll				14,183,517.88		
Payroll Deductions Payable				13,695,393.45		
Mortgage Notes Receivable--UEZ Assistance Program				137,044.71		
Community Development Block Grants Receivable						173,223.69
Home Investment Partnership Program Receivable						30,686.12
Mortgage Notes Receivable--Reserve for Rehabilitation Projects						338.06
Mortgage Notes Receivable--U.D.A.G.						22,080.27
Due State of New Jersey--Animal Registration Fees	3,773.20					
Reserve for Animal Control Fund Expenditures	16,071.00					
Reserve for Miscellaneous Trust Reserves:						
Budget Appropriation				155,593.49		
Interest Earned				919.80		
Fees, Refunds and Donations				242,874.02		
Reserve for Miscellaneous Trust Escrows:						
Interest Earned				7,238.16		
Liens				2,199,788.95		
Reserve for Revolving Loan Fund--UEZ Assistance Program				27,522.58		
Reserve for U.D.A.G. Interest						1,129.54
		<u>19,888.71</u>		<u>30,696,830.67</u>		<u>260,075.53</u>
		43,203.82		36,314,956.62		462,774.28

(Continued)

CITY OF MILLVILLE  
TRUST FUND  
Statement of Trust Cash -- Treasurer  
For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Other</u>	<u>Community Development</u>
Balance Brought Forward	\$ 43,203.82	\$ 36,314,956.62	\$ 462,774.28
Decreased by Disbursements:			
Current Fund			
Trust Other Fund	\$ 54,219.91	\$	29,687.00
Community Development Fund			7,085.25
Net Payroll		4,151.24	
Payroll Deductions Payable		14,183,517.88	
Due State of New Jersey--Animal Registration Fees		13,692,791.33	
Expenditures Under R.S.4:19-15.11			
Reserve for Miscellaneous Trust Reserves	\$ 3,793.80	270,555.93	
Reserve for Miscellaneous Trust Escrows	28,291.46	2,385,262.14	
Reserve for Revolving Loan Fund--UEZ Assistance Program		1,547.11	
Reserve for Home Investment Partnership Program			2,299.00
Reserve for Community Development Funds			151,912.95
Reserve for Revolving Loan Fund--UDAG			9,641.57
	<u>32,085.26</u>	<u>30,592,045.54</u>	<u>200,625.77</u>
Balance December 31, 2017	\$ <u>11,118.56</u>	\$ <u>5,722,911.08</u>	\$ <u>262,148.51</u>

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 4,953.70
Increased by:	
Disbursements	<u>54,219.91</u>
	59,173.61
Decreased by:	
Receipts	<u>39,852.38</u>
Balance December 31, 2017	<u><u>\$ 19,321.23</u></u>

## Exhibit SB-3

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Due to/from Trust Other Fund  
For the Year Ended December 31, 2017

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Balance December 31, 2016 (Due to)	\$ 1,116.91
Increased by:	
Receipts	<u>4,151.24</u>
	5,268.15
Decreased by:	
Disbursements	<u>7,085.25</u>
Balance December 31, 2017 (Due from)	<u><u>\$ 1,817.10</u></u>

## Exhibit SB-4

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement Due from Current Fund  
For the Year Ended December 31, 2017

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Increased by:	
Disbursements	\$ 29,687.00
Decreased by:	
Receipts	<u>28,466.61</u>
Balance December 31, 2017	<u><u>\$ 1,220.39</u></u>

CITY OF MILLVILLE  
ANIMAL CONTROL FUND  
Statement of Due to Current Fund  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 13.53
Increased by:	
Receipts	<u>44.51</u>
Balance December 31, 2017	<u><u>\$ 58.04</u></u>

**CITY OF MILLVILLE**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of NJ - Animal Registration Fees  
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 20.80
Increased by:	
Receipts	<u>3,773.20</u>
	3,794.00
Decreased by:	
Disbursements	<u>3,793.80</u>
Balance December 31, 2017	<u><u>\$ 0.20</u></u>

Exhibit SB-7

**CITY OF MILLVILLE**  
**ANIMAL CONTROL FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 23,290.78
Fees Collected:	
Dog License	<u>16,071.00</u>
	39,361.78
Decreased by:	
Expenditures Under R.S.4:19-15.11:	
Cash	<u>28,291.46</u>
Balance December 31, 2017	<u><u>\$ 11,070.32</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$ 14,086.20
2015	<u>13,993.40</u>
	<u><u>\$ 28,079.60</u></u>



**CITY OF MILLVILLE**  
**TRUST FUNDS**  
Statement of Investments - Length of Service Awards Program  
For the Year End December 31, 2017

Balance December 31, 2016		\$ 323,590.05
Increased by:		
City Contributions	\$ 18,400.00	
Unrealized Gain on Investments	<u>56,020.94</u>	
		<u>74,420.94</u>
		398,010.99
Decreased by:		
Administration Expenses		<u>650.00</u>
Balance December 31, 2017		<u><u>\$ 397,360.99</u></u>

Schedule of Investments, December 31, 2017

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 71,885.27
Mutual Funds	<u>325,475.72</u>
	<u><u>\$ 397,360.99</u></u>

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Statement of Payroll Taxes Payable  
For the Year End December 31, 2017

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Balance December 31, 2016	\$ 167,298.49
Increased by:	
Receipts	<u>13,695,393.45</u>
	13,862,691.94
Decreased by:	
Disbursements	<u>13,692,791.33</u>
Balance December 31, 2017	<u><u>\$ 169,900.61</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Community Development Block Grants Receivable  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$	130,988.25
Increased by:			
Fiscal Year 2016 Award	\$	236,294.00	
Fiscal Year 2017 Award		<u>240,043.00</u>	
			<u>476,337.00</u>
			607,325.25
Decreased by:			
Receipts			<u>173,223.69</u>
Balance December 31, 2017		\$	<u><u>434,101.56</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Mortgages Receivable--Reserve for Rehabilitation Projects  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 77,784.28
Decreased by:	
Payments Received	<u>338.06</u>
Balance December 31, 2017	<u><u>\$ 77,446.22</u></u>

## Exhibit SB-12

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Mortgages Receivable--U.D.A.G.  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 130,980.83
Decreased by:		
Mortgages Cancelled	\$ 4,780.71	
Payments Received	<u>22,080.27</u>	
		<u>26,860.98</u>
Balance December 31, 2017		<u><u>\$ 104,119.85</u></u>

## Exhibit SB-13

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Statement of Mortgages and Loans Receivable--UEZ Assistance Program  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 3,077,392.33
Decreased by:	
Payments Received	<u>137,044.71</u>
Balance December 31, 2017	<u><u>\$ 2,940,347.62</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Home Investment Partnership Program Receivable  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$	296,689.92
Increased by:			
Fiscal Year 2016 Award	\$	112,450.00	
Fiscal Year 2017 Award		<u>98,336.00</u>	
			<u>210,786.00</u>
			507,475.92
Decreased by:			
Other Revenues		19,562.00	
Receipts		<u>30,686.12</u>	
			<u>50,248.12</u>
Balance December 31, 2017		\$	<u><u>457,227.80</u></u>



CITY OF MILLVILLE  
TRUST OTHER FUNDS  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2017

	Increased By				Decreased By		
	Balance December 31, 2016	Budget Appropriation	Interest Earned	Unrealized Gain on Investments	Fees, Refunds and Donations	Disbursed	Balance December 31, 2017
Reserve for:							
Outside Employment for Police	\$ 39,223.57				\$ 83,600.05	\$ 98,102.01	\$ 24,721.61
Public Defender	63,652.25				11,887.00	4,012.50	71,526.75
Planning Board Escrows	247,185.47				54,764.00	46,427.25	255,522.22
Unemployment Compensation Insurance	27,148.23	\$ 19,312.34			37,148.38	49,050.06	34,558.89
Landfill Closure	148,155.61						149,047.21
Municipal Alliance Grant Funds	1,176.88		\$ 891.60		760.00	624.17	1,312.71
Self-Insurance Funds	2,110,332.56					2,398.11	2,107,934.45
Neighborhood Preservation Program	315.00						315.00
State Law Enforcement Fund	17,111.85				42,318.74	43,538.74	15,891.85
Snow Removal	47,179.82	14,281.15				14,605.50	46,855.47
Vanaman Memorial Park Donations	1,052.00						1,052.00
Memorial in Patriot Park Donations	5,255.88					60.00	5,195.88
Parking Offenses Adjudication Act	9,408.00				1,312.00		10,720.00
COAH Fees	22,150.39				1,045.85	573.14	22,651.30
Millville Garden Rent Revenue	7,755.93		28.20				7,755.93
Neighborhood Opportunity Fund	2,860.00						2,860.00
Recreation Donations	4,909.70						4,909.70
Uniform Fire Safety Act Penalties	4,830.62				10,038.00	9,146.41	5,722.21
Employee Accumulated Absences	846,317.15	122,000.00				2,018.04	966,299.11
Length of Service Awards Program	323,590.05			\$ 56,020.94	18,400.00	650.00	397,360.99
	\$ 3,929,610.96	\$ 155,593.49	\$ 919.80	\$ 56,020.94	\$ 261,274.02	\$ 271,205.93	\$ 4,132,213.28

CITY OF MILLVILLE  
TRUST OTHER FUNDS  
Statement of Miscellaneous Trust Escrows  
For the Year Ended December 31, 2017

	<u>R e c e i v e d</u>		<u>D i s b u r s e d</u>		<u>Balance December 31, 2017</u>
	<u>Balance December 31, 2016</u>	<u>Interest</u>	<u>Liens</u>	<u>Liens</u>	
Reserve for Sheldon Estate Bequest	\$ 6,640.57	\$ 1.98			\$ 6,642.55
Tax Collector's Reserve for Tax Title					
Lien Redemptions	1,178,720.57	7,236.18	\$ 2,199,788.95	\$ 2,385,262.14	1,000,483.56
	<u>\$ 1,185,361.14</u>	<u>\$ 7,238.16</u>	<u>\$ 2,199,788.95</u>	<u>\$ 2,385,262.14</u>	<u>\$ 1,007,126.11</u>

CITY OF MILLVILLE  
 COMMUNITY DEVELOPMENT FUND  
 Statement of Reserve for Community Development Funds  
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 165,322.30
Increased by:		
Fiscal Year 2016 Award	\$ 236,294.00	
Fiscal Year 2017 Award	<u>240,043.00</u>	
		<u>476,337.00</u>
		641,659.30
Decreased by:		
Disbursements		<u>151,912.95</u>
Balance December 31, 2017		<u><u>\$ 489,746.35</u></u>

Analysis of Balance December 31, 2017

2017 Community Development Block Grant	\$ 236,323.58
2016 Community Development Block Grant	165,215.67
2015 Community Development Block Grant	61,956.62
2014 Community Development Block Grant	25,546.67
2013 Community Development Block Grant	<u>703.81</u>
	<u><u>\$ 489,746.35</u></u>

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Statement of Reserve for Revolving Loan Fund - UEZ Assistance Program  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 451,514.87
Increased by:		
Mortgage Notes Receivable--Collected	\$ 137,044.71	
Interest and Late Fees	<u>27,522.58</u>	
		<u>164,567.29</u>
		616,082.16
Decreased by:		
Disbursements:		
Other	<u>1,547.11</u>	
		<u>1,547.11</u>
Balance December 31, 2017		<u><u>\$ 614,535.05</u></u>

Exhibit SB-19

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Schedule of Reserve for UEZ 1st Generation Project  
As of December 31, 2017

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Balance December 31, 2017	<u><u>\$ 215,530.78</u></u>
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**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for Revolving Loan Fund-Rehabilitation Program  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 120,809.25
Increased by:	
Mortgage Notes Receivable--Collected	<u>338.06</u>
Balance December 31, 2017	<u><u>\$ 121,147.31</u></u>

## Exhibit SB-21

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for Home Investment Partnership Program  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 213,468.53
Increased by:		
Fiscal Year 2016 Award	\$ 112,450.00	
Fiscal Year 2017 Award	<u>98,336.00</u>	
		<u>210,786.00</u>
		424,254.53
Decreased by:		
Other Expenditures	19,562.00	
Disbursements	<u>2,299.00</u>	
		<u>21,861.00</u>
Balance December 31, 2017		<u><u>\$ 402,393.53</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for Revolving Loan Fund - U.D.A.G.  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 129,207.18
Increased by:	
Mortgage Notes Receivable--Collected	<u>22,080.27</u>
	151,287.45
Decreased by:	
Disbursements:	
Other	<u>9,641.57</u>
Balance December 31, 2017	<u><u>\$ 141,645.88</u></u>

Exhibit SB-23

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for U.D.A.G. Interest  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 402.75
Increased by:	
Receipts:	
Interest and Late Fees	<u>1,129.54</u>
Balance December 31, 2017	<u><u>\$ 1,532.29</u></u>



**SUPPLEMENTAL EXHIBITS**  
**GENERAL CAPITAL FUND**

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
Treasurer  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 1,419,678.65
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$ 50,000.00	
Capital Fund Balance	324,120.00	
Serial Bonds	<u>10,804,000.00</u>	
		<u>11,178,120.00</u>
		12,597,798.65
Decreased by Disbursements:		
Bond Anticipation Notes	6,356,902.00	
Improvement Authorizations	1,961,193.01	
Reserve for Payment of Debt	<u>87,720.00</u>	
		<u>8,405,815.01</u>
Balance Dec. 31, 2017		<u><u>\$ 4,191,983.64</u></u>

CITY OF MILLVILLE  
GENERAL CAPITAL FUND  
Analysis of General Capital Cash  
For the Year Ended December 31, 2017

	Receipts			Disbursements			Transfers	Balance (Deficit) Dec. 31, 2017		
	Balance (Deficit) Dec. 31, 2016	Budget Appropriation	Serial Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes			Miscellaneous	From
Fund Balance	\$ 466,097.44			\$ 324,120.00						\$ 790,217.44
Capital Improvement Fund	350,359.86	\$ 50,000.00						63,500.00		336,859.86
Reserve for Payment of Debt	1,121,153.58						\$ 87,720.00			1,033,433.58
Ordinance No.:										
33-2007	(40,916.70)									(40,916.70)
41-2007	(1,027,346.19)		\$ 1,216,000.00		\$ 260,964.66	\$ 216,550.00		96,927.54	\$ 103,457.99	(282,330.40)
10-2008	(2,128.54)							140.80	140.80	(2,128.54)
12-2008	(1,527.27)									(1,527.27)
15-2008;34-2008	(32,687.90)									(32,687.90)
12-2009	(203,181.16)									(203,181.16)
19-2012, 36-2012	(115,980.86)		998,302.00			882,352.00				(30.86)
4-2013	432,089.91		5,144,794.00		286,532.21	4,800,000.00		252,223.77	142,238.92	380,366.85
02-2007	125,752.98							125,752.98		
33-2014	(5,706.94)		361,000.00		31,537.61	293,000.00		1,829.82	5,611.46	34,537.09
16-2015	2,404.48		182,600.00			165,000.00				20,004.48
19-2015	75,190.87				20,800.00			9,475.66	25,798.00	70,713.21
24-2016	(40,575.14)		459,804.00		233,560.62			19,598.58	30,131.02	196,200.68
29-2016	(914,862.34)		919,400.00		886,546.23			148.50	908,321.60	26,164.53
45-2016	5,945.00		285,000.00		133,846.29			132,563.00	7,047.80	31,583.51
23-2017			1,206,500.00		107,405.39			607,251.35	63,500.00	555,343.26
25-2017								2,028.11	125,752.98	123,724.87
Cash Pledged to the Payment of Bonds			30,600.00					1,222,747.59	1,122,187.13	30,600.00
Reserve for Encumbrances	1,222,747.59									1,122,187.13
Reserve for Preliminary Expenses	2,850.00									2,850.00
	\$ 1,419,678.65	\$ 50,000.00	\$ 10,804,000.00	\$ 324,120.00	\$ 1,961,193.01	\$ 6,356,902.00	\$ 87,720.00	\$ 2,534,187.70	\$ 2,534,187.70	\$ 4,191,983.64

**CITY OF MILLVILLE**  
GENERAL CAPITAL FUND  
Schedule of Grants Receivable  
As of December 31, 2017

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Balance Dec. 31, 2017		<u>\$ 135,039.27</u>
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Analysis of Balance December 31, 2017

<u>Grant</u>	<u>Ord. No.</u>	<u>Reserved</u>
Hazardous Discharge Grant	03-2006	<u>\$ 135,039.27</u>

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Payment of Debt  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 1,121,153.58
Increased by:	
Transfer from Bond Sale Proceeds	<u>30,600.00</u>
	1,151,753.58
Decreased by:	
Disbursed to Current Fund - Realized as Miscellaneous Revenue Anticipated	<u>87,720.00</u>
Balance Dec. 31, 2017	<u><u>\$ 1,064,033.58</u></u>

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Schedule of Reserve for Preliminary Expenses - Senior Center  
As of December 31, 2017

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Balance Dec. 31, 2017	<u><u>\$ 2,850.00</u></u>
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**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation--Funded  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016			\$ 13,861,881.99
Increased by:			
Improvement Costs Funded by:			
Serial Bonds Issued			<u>10,804,000.00</u>
			24,665,881.99
Decreased by:			
Serial Bonds Defeased			
Appropriations to Pay Principal on Debt:			
Municipal Bonds	\$ 2,035,000.00		
Green Trust Loan	<u>55,992.66</u>		
			<u>2,090,992.66</u>
Balance Dec. 31, 2017			<u><u>\$ 22,574,889.33</u></u>



CITY OF MILLVILLE  
GENERAL CAPITAL FUND  
Statement of Deferred Charges to Future Taxation--Unfunded  
For the Year Ended December 31, 2017

Improvement Description	Date	Ordinance Number	Balance Dec. 31, 2016	Authori- zations	Transfers	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017	
								Expenditures	Unexpended Improvement Authorizations
General Improvements:									
Acquisition of Computer Equipment and Technology	09/18/2007	33-2007	\$ 40,916.70				\$ 40,916.70	\$ 40,916.70	
Improvements to Vacant Land and Environmental Remediation	10/16/2007	41-2007	2,566,550.00			\$ 1,216,000.00	1,350,550.00	282,330.40	\$ 1,068,219.60
Various Capital Improvements	04/15/2008	10-2008	2,128.54				2,128.54	2,128.54	
Capital Expenditures for Public Purposes - Millville Gardens	05/20/2008	12-2008	1,527.27				1,527.27	1,527.27	
Capital Expenditures for Public Purposes - Road Improvements	06/17/2008	15-2008; 34-2008	32,687.90				32,687.90	32,687.90	
Various Capital Improvements and Acquisitions	03/03/2009	12-2009	203,219.25				203,219.25	203,181.16	38.09
Various Capital Improvements and Acquisitions	05/15/2012	19-2012; 36-2012	998,332.88						
Various Capital Expenditures for Public Purposes	03/19/2013	4-2013	5,615,794.00		\$ (471,000.00)	998,302.00	30.88	30.88	
Various Capital Improvements	09/16/2014	33-2014	361,000.00			5,144,794.00			
Acquisition of Mechanical Broom Sweepers	06/02/2015	16-2015	209,000.00		(26,400.00)	182,600.00			
Municipal Buildings Repairs and Improvements	06/07/2016	24-2016	459,804.00			459,804.00			
Acquisition of Public Safety System	07/19/2016	29-2016	950,000.00		(30,600.00)	919,400.00			
Municipal Stormwater Drainage	10/22/2016	45-2016	285,000.00			285,000.00			
Various Capital Improvements	06/07/2017	23-2017	\$ 678,500.00		528,000.00	1,206,500.00			
			\$ 11,725,960.54	\$ 678,500.00	-	\$ 10,773,400.00	\$ 1,631,060.54	\$ 562,802.85	\$ 1,068,257.69
Bonds Issued SC-15							\$ 10,804,000.00		
Less: Cash Pledged							(30,600.00)		
							\$ 10,773,400.00		

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 350,359.86
Increased by:	
Budget Appropriation	<u>50,000.00</u>
	400,359.86
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>63,500.00</u>
Balance Dec. 31, 2017	<u><u>\$ 336,859.86</u></u>

## Exhibit SC-9

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 1,222,747.59
Increased by:	
Encumbrances	<u>1,122,187.13</u>
	2,344,934.72
Decreased by:	
Transferred to Improvement Authorizations	<u>1,222,747.59</u>
Balance Dec. 31, 2017	<u><u>\$ 1,122,187.13</u></u>

## Exhibit SC-10

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Green Trust Loan Payable  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 537,881.99
Decreased by:	
Principal Payments Paid by Current Fund Budget	<u>55,992.66</u>
Balance Dec. 31, 2017	<u><u>\$ 481,889.33</u></u>

CITY OF MILLVILLE  
GENERAL CAPITAL FUND  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2017

Improvement Description	Ordinance Date	Number	Amount	2017 Authorizations			Reserve for Encumbrances Transferred	Paid or Charged	Transfers	Balance Dec. 31, 2017	
				Capital Improvement Fund	to Future Taxation-- Unfunded	Unfunded				Funded	Unfunded
General Improvements:											
Improvements to Vacant Land and Environmental Remediation	10/16/2007	41-2007	\$ 3,000,000.00			\$ 1,322,653.81	\$ 103,457.99	\$ 357,892.20		\$ 1,068,219.60	
Various Capital Improvements	04/15/2008	10-2008	825,000.00				140.80	140.80			
Various Capital Improvements and Acquisitions	03/03/2009	12-2009	660,000.00		38.09						38.09
Various Capital Expenditures for Public Purposes	03/19/2013	04-2013	6,200,000.00		1,247,883.91		142,238.92	538,755.98	\$ (471,000.00)	\$ 380,366.85	
Phase - 1 Improvements to Center City Rev Allocation District	02/16/2007	02-2007	8,130,000.00			125,752.98			(125,752.98)		
Various Capital Improvements	09/16/2014	33-2014	380,000.00		62,293.06			33,367.43		34,537.09	
Acquisition of Mechanical Broom Sweepers	06/02/2015	16-2015	220,000.00		46,404.48		5,611.46			20,004.48	
Various Capital Improvements	08/18/2015	19-2015	300,000.00					30,275.66	(26,400.00)	70,713.21	
Municipal Buildings Repairs and Improvements	06/07/2016	24-2016	484,005.00		419,228.86		25,798.00	253,159.20		196,200.68	
Acquisition of Public Safety System	07/19/2016	29-2016	1,000,000.00		35,137.66		30,131.02	886,694.73	(30,600.00)	26,164.53	
Municipal Stormwater Drainage	10/22/2016	45-2016	300,000.00		5,945.00		908,321.60	266,409.29		31,583.51	
Various Capital Improvements	06/07/2017	23-2017	1,270,000.00				7,047.80	714,656.74	528,000.00	555,343.26	
Capital Improvements - Revenue Allocation District	06/07/2017	25-2017	125,752.98					2,028.11	125,752.98	123,724.87	
				\$ 63,500.00	\$ 678,500.00	\$ 678,500.00	\$ 1,222,747.59	\$ 3,083,380.14	-	\$ 1,438,638.48	\$ 1,068,257.69
										Encumbrances Payable	
										Disbursed	
										\$ 1,122,187.13	
										\$ 1,961,193.01	
										\$ 3,083,380.14	

CITY OF MILLVILLE  
GENERAL CAPITAL FUND  
Statement of General Bond Anticipation Notes  
For the Year Ended December 31, 2017

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Bond Funds</u>	<u>Balance Dec. 31, 2017</u>
Improvements to Vacant Land and Environmental Remediation	41-2007	3/28/2008	8/2/2016	8/1/2017	1.25%	\$ 216,550.00	\$ 216,550.00	
Various Capital Improvements and Acquisitions	19-2012; 36-2012	12/7/2012	8/2/2016	8/1/2017	1.25%	882,352.00	882,352.00	
Various Capital Expenditures for Public Purposes	4-2013	12/4/2014	8/2/2016	8/1/2017	1.25%	4,800,000.00	4,800,000.00	
Various Capital Improvements	33-2014	8/3/2015	8/2/2016	8/1/2017	1.25%	293,000.00	293,000.00	
Acquisition of Mechanical Broom Sweepers	16-2015	8/3/2015	8/2/2016	8/1/2017	1.25%	165,000.00	165,000.00	
						<u>\$ 6,356,902.00</u>	<u>\$ 6,356,902.00</u>	<u>-</u>

CITY OF MILLVILLE  
GENERAL CAPITAL FUND  
Statement of General Serial Bonds  
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding Dec. 31, 2017</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2017</u>	
			<u>Date</u>		<u>Amount</u>				
General Bonds of 2008	09/01/08	\$ 3,756,000.00	09/01/18	5.000%	\$ 250,000.00	\$ 500,000.00	\$ 250,000.00	\$ 250,000.00	
General Bonds of 2011	11/01/11	5,639,000.00	11/1/18-20		500,000.00				
			11/01/21	600,000.00	5.000%				
			11/01/22	600,000.00					
			11/01/23	689,000.00	3.000%	3,889,000.00	500,000.00	3,389,000.00	
Refunding Bonds of 2012	09/05/12	7,222,000.00	7/15/2018		660,000.00				
			7/15/2019	695,000.00	2.250%				
			7/15/2020	735,000.00	2.500%	2,765,000.00	675,000.00	2,090,000.00	
Revenue Allocation District Bonds	11/01/11	7,025,000.00	11/1/18-20		600,000.00				
			11/01/21	650,000.00	5.000%				
			11/01/22	650,000.00					
			11/01/23	675,000.00	3.000%	4,375,000.00	600,000.00	3,775,000.00	
Refunding Bonds of 2016	04/21/16	1,805,000.00	09/01/18		10,000.00				
			09/01/19	285,000.00	2.000%				
			09/01/20	285,000.00	3.000%				
			09/01/21	280,000.00	3.000%				
			09/01/22	300,000.00	3.000%				
			09/01/23	300,000.00	3.000%				
			09/01/24	325,000.00	3.000%	1,795,000.00	10,000.00	1,785,000.00	
General Bonds of 2017	07/26/17	10,804,000.00	07/15/18		475,000.00				
			07/15/19	475,000.00	2.000%				
			07/15/20	475,000.00	3.000%				
			07/15/21	950,000.00	2.000%				
			07/15/22	950,000.00	3.000%				
			07/15/23	950,000.00	4.000%				
			07/15/24	950,000.00	4.000%				
			07/15/25	950,000.00	4.000%				
			07/15/26	950,000.00	2.250%				
			07/15/27	950,000.00	2.500%				
			07/15/28	925,000.00	3.000%				
			07/15/29	900,000.00	3.000%				
			07/15/30	904,000.00	3.000%				
						\$ 10,804,000.00		10,804,000.00	
						\$ 13,324,000.00	\$ 10,804,000.00	\$ 2,035,000.00	\$ 22,093,000.00

CITY OF MILLVILLE  
GENERAL CAPITAL FUND  
Statement of General Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

Improvement Description	Ordinance		Balance Dec. 31, 2016	Authorizations	Notes Paid by Bond Funds	Bonds Issued	Transfers	Balance Dec. 31, 2017
	Date	Number						
General Improvements:								
Acquisition of Computer Equipment and Technology	09/18/2007	33-2007	\$ 40,916.70					\$ 40,916.70
Improvements to Vacant Land and Environmental Remediation	10/16/2007	41-2007	2,350,000.00					1,350,550.00
Various Capital Improvements	04/15/2008	10-2008	2,128.54					2,128.54
Capital Expenditures for Public Purposes - Millville Gardens	05/20/2008	12-2008	1,527.27					1,527.27
Capital Expenditures for Public Purposes - Road Improvements	06/17/2008	15-2008	32,687.90					32,687.90
Various Capital Improvements and Acquisitions	03/03/2009	12-2009	203,219.25					203,219.25
Various Capital Improvements and Acquisitions	05/15/2012	19-2012; 36-2012	115,980.88					30.88
Various Capital Expenditures for Public Purposes	03/19/2013	4-2013	815,794.00					
Various Capital Improvements	09/16/2014	33-2014	68,000.00		4,800,000.00	5,144,794.00	(471,000.00)	
Acquisition of Mechanical Broom Sweepers	06/02/2015	16-2015	44,000.00		293,000.00	361,000.00		
Municipal Buildings Repairs and Improvements	06/07/2016	24-2016	459,804.00		165,000.00	182,600.00	(26,400.00)	
Acquisition of Public Safety System	07/19/2016	29-2016	950,000.00			459,804.00		
Municipal Stormwater Drainage	10/22/2016	45-2016	285,000.00			919,400.00	(30,600.00)	
Various Capital Improvements	06/07/2017	23-2017		\$ 678,500.00		285,000.00	528,000.00	
						1,206,500.00		
			\$ 5,369,058.54	\$ 678,500.00	\$ 6,356,902.00	\$ 10,773,400.00	-	\$ 1,631,060.54
						Bonds Issued SC-15 \$ 10,804,000.00		
						Less: Cash Pledged (30,600.00)		
						\$ 10,773,400.00		



**SUPPLEMENTAL EXHIBITS**

**WATER UTILITY FUND**

CITY OF MILLVILLE  
WATER UTILITY FUNDS  
Statement of Water Utility Cash  
Treasurer

For the Year Ended December 31, 2017

	<u>Operating Fund</u>	<u>Assessment Fund</u>	<u>Capital Fund</u>
Balance Dec. 31, 2016			\$ 1,809,055.53
Increased by Receipts:		\$ 11,000.00	
Consumer Accounts Receivable	\$ 3,414,490.92		
Fire Hydrant Service	12,503.21		
Interest on Delinquent Accounts	15,220.12		
Other Accounts Receivable	53,921.71		
Interest on Deposits	33,724.06		
Meters and Miscellaneous	12,913.64		
Overpayments	4,950.26		
Current Fund	1,383.15		
Serial Bonds		\$ 2,065,000.00	
Premium on Serial Bonds		61,950.00	
	<u>3,549,107.07</u>		<u>2,126,950.00</u>
Decreased by Disbursements:			
2017 Appropriations	2,898,875.77		
2016 Appropriation Reserves	114,704.69	11,000.00	
Improvement Authorizations			15,551.33
Interest on Bonds, Notes, and Loans	127,802.36		
Other Accounts Receivable	553.17		
Reserve for Insurance	6,641.50		
Bond Anticipation Notes			956,845.00
Utility Surplus of Prior Year to Current Fund	<u>201,586.00</u>		
	<u>3,350,163.49</u>		<u>972,396.33</u>
Balance Dec. 31, 2017	<u>\$ 3,443,732.14</u>	<u>\$ 11,000.00</u>	<u>\$ 2,963,609.20</u>

**CITY OF MILLVILLE**  
WATER UTILITY ASSESSMENT FUND  
Schedule of Water Utility Assessment Trust Cash  
As of December 31, 2017

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	Balance <u>Dec. 31, 2017</u>
Fund Balance	\$ <u>11,000.00</u>

CITY OF MILLVILLE  
WATER UTILITY CAPITAL FUND  
Analysis of Water Utility Capital Cash  
For the Year Ended December 31, 2017

	Balance (Deficit) Dec. 31, 2016	Receipts		Disbursements			Transfers From	To	Balance (Deficit) Dec. 31, 2017
		Serial Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes				
Fund Balance	\$ 672,015.09								
Capital Improvement Fund	169,402.58		\$ 61,950.00						\$ 733,965.09
Reserve for Payment of Debt	594,825.02								169,402.58
									594,825.02
Improvement Authorizations:									
Ordinance									
Number									
6-2016	240,421.75	\$ 965,000.00		\$ 9,280.08	\$ 956,845.00	\$ 736.52			238,560.15
7-2016	132,391.09								132,391.09
24-2017		1,100,000.00		6,271.25					1,093,728.75
Reserve for Encumbrances								\$ 736.52	736.52
	\$ 1,809,055.53	\$ 2,065,000.00	\$ 61,950.00	\$ 15,551.33	\$ 956,845.00	\$ 736.52	\$ 736.52	\$	2,963,609.20

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Consumer Accounts Receivable**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016		\$ 163,398.72
Increased by:		
Water Rents Charged in 2017		<u>3,383,998.12</u>
		3,547,396.84
Decreased by:		
Collections	\$ 3,414,490.92	
Overpayments Applied	<u>14,660.66</u>	
	3,429,151.58	
Transfer to Lien	<u>132.50</u>	
		<u>3,429,284.08</u>
Balance Dec. 31, 2017		<u><u>\$ 118,112.76</u></u>

Exhibit SD-5

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Reserve for Insurance Proceeds**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016		\$ 21,858.70
Decreased by:		
Disbursements		<u>6,641.50</u>
Balance Dec. 31, 2017		<u><u>\$ 15,217.20</u></u>

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Fire Hydrant Rentals**  
**For the Year Ended December 31, 2017**

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Increased by:	
Fire Hydrant Rentals Billed in 2017	\$ 12,704.05
Decreased by:	
Collections	<u>12,503.21</u>
Balance Dec. 31, 2017	<u><u>\$ 200.84</u></u>

Exhibit SD-7

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Other Accounts Receivable**  
**For the Year Ended December 31, 2017**

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	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Water Turn On and Off Fees	\$ 2,925.49	\$ 18,070.31	\$ 18,070.31	\$ 2,925.49
Water Service Contracts (Tap Fees)		5,075.00	5,075.00	
Connecting Fees		30,276.40	30,276.40	
Protested Checks	<u>1,050.52</u>	<u>553.17</u>	<u>500.00</u>	<u>1,103.69</u>
	<u><u>\$ 3,976.01</u></u>	<u><u>\$ 53,974.88</u></u>	<u><u>\$ 53,921.71</u></u>	<u><u>\$ 4,029.18</u></u>



**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Water Utility Liens**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016	\$ 706.26
Increased by:	
Transfers from Consumer Accounts Receivable	<u>132.50</u>
Balance Dec. 31, 2017	<u><u>\$ 838.76</u></u>

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
**Statement of Fixed Capital**  
**For the Year Ended December 31, 2017**

<u>Account</u>	<u>Restated Balance Dec. 31, 2016</u>	<u>Additions</u>	<u>Balance Dec. 31, 2017</u>
Balance Dec. 31, 1983 - Details Not Available	\$ 196,365.01		\$ 196,365.01
Purification System - Land	577.36		577.36
Pumping System - Land	3,962.78		3,962.78
Other Distribution System - Land	45.58		45.58
Reservation Structures	471.01		471.01
Springs and Wells	392,690.94		392,690.94
Intake and Supply Basins	11,773.67		11,773.67
Coagulating Basins	11,820.73		11,820.73
Filters	18,567.24		18,567.24
Ozone Sterilizing and Aeration Plant	6,420.00		6,420.00
Chemical Treatment Plant	14,226.54		14,226.54
Clear Water Basins	2,810.84		2,810.84
Pumping Structures	142,830.69		142,830.69
Miscellaneous Pumping Equipment	11,743.40		11,743.40
Electrical Power Pumping Equipment	76,057.75		76,057.75
Transmission Mains	1,175,158.19		1,175,158.19
Storage Reservoir - Tank and Standpipe	38,554.77		38,554.77
Distribution Mains	1,596,133.19		1,596,133.19
Service Pipe	168,234.98		168,234.98
Meters	550,438.62		550,438.62
Fire Hydrants	921,057.03		921,057.03
Trucks and Vehicles	700,227.83		700,227.83
Scouter	1,441.16		1,441.16
General Equipment	147,204.31		147,204.31
Storage Reservoir - Land	4,000.00		4,000.00
Engineering Costs - Water Survey	5,432.59		5,432.59
Office Facilities and Furnishings	54,975.79		54,975.79
Tractor and Equipment	43,200.55		43,200.55
Ware Avenue	74,676.00		74,676.00
Supply Distribution and Storage Facilities	1,086,856.58		1,086,856.58
Water Storage Tank With Transmission	1,119,085.40		1,119,085.40
Roofing	48,003.00		48,003.00
Data Collection System	880,750.00		880,750.00
Well Repair and Construction	2,780,130.34		2,780,130.34
Demolition	8,040.00		8,040.00
Equalization Facility	281,175.00		281,175.00
Water Main Extension	870,869.39		870,869.39
Improvements to Water Utility	4,649,016.86	\$ 36,142.69	4,685,159.55
Infrastructure Improvements to Airport Industrial Park	1,865,747.79		1,865,747.79
Improvements to South Millville Industrial Park	74,073.37		74,073.37
Treatment Plant for Airport Water Wells	1,189,884.32		1,189,884.32
Improvements/Upgrades to Existing Equipment and Infrastructure	751,374.29		751,374.29
	<u>\$ 21,976,104.89</u>	<u>\$ 36,142.69</u>	<u>\$ 22,012,247.58</u>
FY 2017 Capital Outlay Budget		<u>\$ 36,142.69</u>	

CITY OF MILLVILLE  
WATER UTILITY CAPITAL FUND  
Statement of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Restated</u>		<u>Charges to Future Revenue</u>	<u>Balance Dec. 31, 2017</u>
				<u>Balance Dec. 31, 2016</u>			
General							
Improvements:							
6-2016	Repair Various Water Mains	2/19/2016	\$ 965,845.22	\$ 965,845.22		\$	965,845.22
7-2016	Water Main Replacement	2/19/2016	132,391.09	132,391.09			132,391.09
24-2017	Capital Improvements for Water Utility	6/10/2017	1,100,000.00		\$ 1,100,000.00		1,100,000.00
				\$ 1,098,236.31	\$ 1,100,000.00	\$	2,198,236.31

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Appropriation Reserves**  
**For the Year Ended December 31, 2017**

	<u>Balance</u>		<u>Balance</u>		<u>Disbursed</u>	<u>Balanced</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Transfer</u>		<u>Lapsed</u>
	<u>December 31, 2016</u>					
Operating:						
Salaries and Wages	\$ 97,825.76		\$ 97,825.76		\$	97,825.76
Other Expenses	242,730.54	\$ 75,611.70	318,342.24		\$ 108,778.21	209,564.03
Capital Improvements:						
Capital Outlay	62,793.55	6,300.00	69,093.55		5,800.00	63,293.55
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	21,065.90		21,065.90			21,065.90
Public Employees' Retirement System	4,882.00		4,882.00			4,882.00
Disability Insurance	2,000.00		2,000.00		126.48	1,873.52
	<u>\$ 431,297.75</u>	<u>\$ 81,911.70</u>	<u>\$ 513,209.45</u>	<u>\$</u>	<u>114,704.69</u>	<u>\$ 398,504.76</u>

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
Statement of Accrued Interest on Bonds, Notes and Loans and Analysis of Balance  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 44,775.33
Increased by:	
Budget Appropriation for:	
Interest on Bonds	\$ 100,571.00
Interest on Loans	37,982.81
Interest on Notes	<u>6,910.53</u>
	<u>145,464.34</u>
	190,239.67
Decreased by:	
Interest Paid	<u>127,802.36</u>
Balance Dec. 31, 2017	<u><u>\$ 62,437.31</u></u>

Analysis of Accrued Interest Dec. 31, 2017

	Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period	Amount
Serial Bonds						
Water Bonds of 2008	\$ 125,000.00	Various	9/1/2017	12/31/2017	4 Months	\$ 2,083.33
Water Bonds of 2011	406,000.00	Various	11/1/2017	12/31/2017	2 Months	2,930.00
Water Refunding Bonds of 2016	1,445,000.00	Various	9/1/2017	12/31/2017	4 Months	14,416.67
Water Bonds of 2017	<u>2,065,000.00</u>	Various	7/15/2017	12/31/2017	5.5 Months	<u>27,078.14</u>
	<u>4,041,000.00</u>					46,508.14
NJ Waste Water Infrastructure Loan (1)						
Series 2013A	745,000.00	Various	8/1/2017	12/31/2017	5 Months	10,979.17
Series 1999A	<u>315,000.00</u>	Various	9/1/2017	12/31/2017	4 Months	<u>4,950.00</u>
	<u>1,060,000.00</u>					<u>15,929.17</u>
Grand Total	<u><u>\$ 4,356,000.00</u></u>					<u><u>\$ 62,437.31</u></u>

(1) Trust portion of Loans only. Fund Portions are principal only loans.

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Accounts Payable**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016	\$ 8,383.23
Decreased by:	
Canceled to Fund Balance	<u>3,419.23</u>
Balance Dec. 31, 2017	<u><u>\$ 4,964.00</u></u>

## Exhibit SD-14

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Overpayment of Rents**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016	\$ 14,660.66
Increased by:	
Collections	<u>4,950.26</u>
	19,610.92
Decreased by:	
Applied to Rents	<u>14,660.66</u>
Balance Dec. 31, 2017	<u><u>\$ 4,950.26</u></u>



**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Due to Current Fund**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016	\$ 178.40
Increased by:	
Receipts	<u>1,383.15</u>
Balance Dec. 31, 2017	<u><u>\$ 1,561.55</u></u>

**CITY OF MILLVILLE**  
WATER UTILITY CAPITAL FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

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Increased by:	
Encumbrances	<u>\$ 736.52</u>
Balance Dec. 31, 2017	<u><u>\$ 736.52</u></u>

CITY OF MILLVILLE  
WATER UTILITY CAPITAL FUND  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2017

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2016		Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
6-2016	Repairs of Water Meters	2/19/2016	\$ 965,845.22		\$ 249,421.97	\$	10,016.60	\$	239,405.37
7-2016	Cedarville Rd. Water Main Replacement	2/19/2016	132,391.09	\$ 132,391.09				\$ 132,391.09	
24-2017	Capital Improvements for Water Utility	6/10/2017	1,100,000.00		\$ 1,100,000.00		6,271.25	1,093,728.75	
				\$ 132,391.09	\$ 249,421.97	\$ 1,100,000.00	\$ 16,287.85	\$ 1,226,119.84	\$ 239,405.37
Disbursed							\$ 15,551.33		
Reserve for Encumbrances							<u>736.52</u>		
							<u>\$ 16,287.85</u>		

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016 (Restated)		\$ 15,213,174.98
Increased by:		
Paid by Operating Budget:		
Bond Principal	\$ 195,000.00	
Capital Outlay:		
FY 2017 Operating Budget	<u>36,142.69</u>	
		<u>231,142.69</u>
Balance Dec. 31, 2017		<u><u>\$ 15,444,317.67</u></u>

Exhibit SD-19

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Deferred Amortization  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016 (Restated)	\$ 1,119,561.17
Increased by:	
Infrastructure Loan Paid by Operating Budget	<u>258,526.31</u>
Balance Dec. 31, 2017	<u><u>\$ 1,378,087.48</u></u>

CITY OF MILLVILLE  
WATER UTILITY CAPITAL FUND  
Statement of New Jersey Environmental Infrastructure Loan Payable  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 3,604,759.83
Decreased by:	
Paid by Operating Budget	258,526.31
Balance Dec. 31, 2017	<u>\$ 3,346,233.52</u>

Schedule of New Jersey Environmental Infrastructure Loan Payable Dec. 31, 2017

Due Date	Series 2013A		Series 2003A		Total
	Trust	Fund	Trust	Fund	
February 2018		\$ 47,033.89			\$ 47,033.89
March 2018				\$ 4,500.77	4,500.77
August 2018	\$ 40,000.00	94,067.79			134,067.79
September, 2018			\$ 45,000.00	31,778.21	76,778.21
February 2019		47,033.89			47,033.89
March 2019				3,921.13	3,921.13
August 2019	40,000.00	94,067.79			134,067.79
September, 2019			50,000.00	34,229.39	84,229.39
February 2020		47,033.89			47,033.89
March 2020				3,163.42	3,163.42
August 2020	40,000.00	94,067.79			134,067.79
September, 2020			50,000.00	33,471.68	83,471.68
February 2021		47,033.89			47,033.89
March 2021				2,405.71	2,405.71
August 2021	45,000.00	94,067.79			139,067.79
September, 2021			55,000.00	35,744.80	90,744.80
February 2022		47,033.89			47,033.89
March 2022				1,655.58	1,655.58
August 2022	45,000.00	94,067.79			139,067.79
September, 2022			55,000.00	19,852.34	74,852.34
February 2023		47,033.89			47,033.89
August 2023	45,000.00	94,067.79			139,067.79
September, 2023			60,000.00		60,000.00
February 2024		47,033.89			47,033.89
August 2024	50,000.00	94,067.79			144,067.79
February 2025		47,033.89			47,033.89
August 2025	50,000.00	94,067.79			144,067.79
February 2026		47,033.89			47,033.89
August 2026	50,000.00	94,067.79			144,067.79
February 2027		47,033.89			47,033.89
August 2027	55,000.00	94,067.79			149,067.79
February 2028		47,033.89			47,033.89
August 2028	55,000.00	94,067.79			149,067.79
February 2029		47,033.89			47,033.89
August 2029	55,000.00	94,067.79			149,067.79
February 2030		47,033.89			47,033.89
August 2030	60,000.00	94,067.79			154,067.79
February 2031		47,033.89			47,033.89
August 2031	60,000.00	94,067.79			154,067.79
February 2032		47,033.89			47,033.89
August 2032	55,000.00	93,053.08			148,053.08
	<u>\$ 745,000.00</u>	<u>\$ 2,115,510.49</u>	<u>\$ 315,000.00</u>	<u>\$ 170,723.03</u>	<u>\$ 3,346,233.52</u>

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of Water Serial Bonds  
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding</u>	<u>Date</u>	<u>Amount</u>					
Water Bonds of 2008	9/1/2008	\$ 2,430,000.00	\$ 125,000.00	09/01/18	\$ 125,000.00	5.000%	\$ 250,000.00		\$ 125,000.00	\$ 125,000.00
Water Bonds of 2011	11/1/2011	671,000.00		11/01/18	60,000.00					
				11/1/19-21	70,000.00	5.000%				
				11/01/22	70,000.00	3.000%				
				11/01/23	66,000.00	3.000%	466,000.00		60,000.00	406,000.00
Water Refunding Bonds of 2016	9/1/2016	1,460,000.00		09/01/18	10,000.00	2.000%				
				09/01/19	135,000.00	2.000%				
				9/1/20-21	130,000.00	3.000%				
				09/01/22	135,000.00	3.000%				
				09/01/23	155,000.00	3.000%				
				09/01/24	155,000.00	3.000%				
				9/1/25-27	150,000.00	3.000%				
				09/01/28	145,000.00	3.000%	1,455,000.00		10,000.00	1,445,000.00
Water Bonds of 2017	7/26/2017	2,065,000.00		07/15/18	60,000.00	2.000%				
				07/15/19	60,000.00	2.000%				
				07/15/20	60,000.00	3.000%				
				07/15/21	60,000.00	2.000%				
				07/15/22	85,000.00	3.000%				
				7/15/23-24	100,000.00	4.000%				
				07/15/25	110,000.00	4.000%				
				07/15/26	120,000.00	2.250%				
				07/15/27	120,000.00	2.500%				
				7/15/28-32	120,000.00	3.000%				
				7/15/33-34	120,000.00	3.125%				
				7/15/35-36	120,000.00	3.250%				
				07/15/37	110,000.00	3.250%	\$ 2,065,000.00			2,065,000.00
							\$ 2,171,000.00	\$ 2,065,000.00	\$ 195,000.00	\$ 4,041,000.00
							Paid by Budget Appropriation			
							\$ 195,000.00			



CITY OF MILLVILLE  
WATER UTILITY CAPITAL FUND  
Statement of Water Bond Anticipation Notes  
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Ord. Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid</u>	<u>Balance Dec. 31, 2017</u>
Repair of Water Mains	6-2016	8/2/2016	8/2/2016	8/1/2017	1.250%	\$ 956,845.00	\$ 956,845.00	
						<u>\$ 956,845.00</u>	<u>\$ 956,845.00</u>	<u>-</u>
Paid by Bond Sale Proceeds							<u>\$ 956,845.00</u>	

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but not Issued  
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>FY 2017 Authorization</u>	<u>Notes Paid by Bond Funds</u>	<u>Bonds Issued</u>	<u>Balance Dec. 31, 2017</u>
6-2016	Repair Various Water Meters	\$ 9,000.22		\$ 956,845.00	\$ 965,000.00	\$ 845.22
24-2017	Capital Improvements for Water Utility		\$ 1,100,000.00		1,100,000.00	
		<u>\$ 9,000.22</u>	<u>\$ 1,100,000.00</u>	<u>\$ 956,845.00</u>	<u>\$2,065,000.00</u>	<u>\$ 845.22</u>

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**CITY OF MILLVILLE**  
**SEWER UTILITY FUNDS**  
Statement of Sewer Utility Cash  
Treasurer

For the Year Ended December 31, 2017

	<u>Operating Fund</u>	<u>Assessment Fund</u>	<u>Capital Fund</u>
Balance Dec. 31, 2016	\$ 4,471,093.75	\$ 61,504.82	\$ 1,756,263.27
Increased by Receipts:			
Consumer Accounts Receivable	\$ 6,047,948.63		
Sewer Utility Overpayments	8,507.47		
Interest on Delinquent Accounts	32,673.96		
Connection Fees	50,722.26		
Miscellaneous Fees	466.47		
Interest Earned on Deposits	37,172.73		
NJ Environmental Infrastructure Trust			\$ 6,945,953.00
General Serial Bonds			600,000.00
Premium on Bonds			18,000.00
Budget Appropriation:			
- Capital Improvement Fund			100,000.00
	<u>6,177,491.52</u>		<u>7,663,953.00</u>
Decreased by Disbursements:			
2017 Appropriations	4,404,950.68		
2016 Appropriation Reserves	158,782.71		
Accounts Payable	5,148.95		
Improvement Authorizations			6,891,556.55
Bond Anticipation Notes			2,258,544.00
Interest on Bonds, Notes and Loans	207,510.92		
Current Fund	5,868.18		
Water Utility Operating Fund	855.93		
Utility Surplus of Prior Year to Current Fund	<u>385,290.00</u>		
	<u>5,168,407.37</u>		<u>9,150,100.55</u>
Balance Dec. 31, 2017	<u>\$ 5,480,177.90</u>	<u>\$ 61,504.82</u>	<u>\$ 270,115.72</u>

**CITY OF MILLVILLE**  
**SEWER UTILITY ASSESSMENT FUND**  
Schedule of Sewer Utility Assessment Trust Cash  
As of December 31, 2017

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	Balance <u>Dec. 31, 2017</u>
Fund Balance	\$ <u>61,504.82</u>

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Analysis of Capital Cash  
For the Year Ended December 31, 2017

	Fund Balance	Balance (Deficit) Dec. 31, 2016	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2017
			Budget Appro- priations	Serial Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	From	To	
Capital Improvement Fund		\$ 310,419.62			\$ 18,000.00					\$ 328,419.62
Reserve for Payment of Debt		601,951.59	\$ 100,000.00							701,951.59
Cash Pledged to the Payment of Debt		561,957.65							\$ 41,456.00	561,957.65
Improvement Authorizations:										41,456.00
Ordinance										
Number										
22-2002	Environmental Investigation and Cleanup of Taxiway Pump Station	195,409.53						\$ 18,875.00		176,534.53
6-2008	Upgrades to Wastewater Collection System	(228,575.02)								(228,575.02)
7-2008; 19-2009	Upgrades to Wastewater Treatment Plant - Phase I	476.72		\$ 600,000.00				41,544.41	88.41	476.72
11-2011	Capital Improvements									
39-2012	Upgrades to Municipal Sewer Utility	(7,279,795.56)				\$ 6,891,556.55	1,700,000.00	1,499,580.78	17,185,902.08	(185,030.81)
Sewer Utility Operating Fund		(100,000.00)								(100,000.00)
NJ Environmental Infrastructure Loan Receivable		(67,811.75)			6,945,953.00			9,423,760.00		(2,545,618.75)
Contracts Payable		7,762,230.49						7,762,230.49	1,518,544.19	1,518,544.19
		\$ 1,756,263.27	\$ 100,000.00	\$ 600,000.00	\$ 6,963,953.00	\$ 6,891,556.55	\$ 2,258,544.00	\$ 18,745,990.68	\$ 18,745,990.68	\$ 270,115.72



**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Consumer Accounts Receivable  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016			\$	283,783.86
Increased by:				
Sewer Rents Charged				<u>6,041,749.45</u>
				6,325,533.31
Decreased by:				
Collections	\$	6,047,948.63		
Overpayments Applied		<u>18,506.20</u>		
			\$	6,066,454.83
Transfer to Lien				1,092.00
Canceled				<u>27,340.48</u>
				<u>6,094,887.31</u>
Balance Dec. 31, 2017			\$	<u><u>230,646.00</u></u>

## Exhibit SE-5

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Sewer Utility Liens  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016			\$	1,468.87
Increased by:				
Transfers from Consumer Account Receivable				<u>1,092.00</u>
Balance Dec. 31, 2017			\$	<u><u>2,560.87</u></u>

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Due from State of New Jersey -- NJ Environmental Infrastructure Trust  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 67,811.75
Increased by:	
Loan Issued	<u>9,423,760.00</u>
	9,491,571.75
Decreased by:	
Receipts	<u>6,945,953.00</u>
Balance Dec. 31, 2017	<u><u>\$ 2,545,618.75</u></u>
<u>Analysis of Balance Dec. 31, 2017</u>	
NJ Environmental Infrastructure Trust	\$ 2,528,418.75
NJ Environmental Infrastructure Trust - ARRA Financing	<u>17,200.00</u>
	<u><u>\$ 2,545,618.75</u></u>

Exhibit SE-7

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Other Accounts Receivable  
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Sewer Connection Fees	\$ 68,665.62		\$ 50,722.26	\$ 17,943.36
Protested Checks		2,111.58		<u>2,111.58</u>
	<u>-</u>	<u>\$ 70,777.20</u>	<u>\$ 50,722.26</u>	<u><u>\$ 20,054.94</u></u>

CITY OF MILLVILLE  
SEWER UTILITY ASSESSMENT FUND  
Statement of Assessments Receivable  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2016</u>	<u>Collected</u>	<u>Balance Dec. 31, 2017</u>	<u>Balance Pledged to Reserve</u>
Capital Outlay	Sanitary Collection Lines Res. A-5250 & 5251	10/4/05	10	12/5/05-14	\$ 983.53		\$ 983.53	\$ 983.53
					\$ 983.53	-	\$ 983.53	\$ 983.53

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Schedule of Fixed Capital  
As of December 31, 2017

<u>Account</u>	<u>Restated Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2017</u>
Balance Dec. 31, 1967--Financed by Capital Fund--Details not Available	\$ 375,000.00	\$ 375,000.00
Pumping Station	805,664.17	805,664.17
Sanitary Sewer Lines	922,364.89	922,364.89
Vehicles	457,606.06	457,606.06
Office Facilities and Furnishings	40,182.19	40,182.19
General Equipment	322,037.66	322,037.66
Improvement of Sewer System	1,983,323.83	1,983,323.83
Feasibility Study--Sanitary Sewer Facilities (Contractual)	6,000.00	6,000.00
Additions and Alterations to Treatment Plant	3,094,598.41	3,094,598.41
Laboratory	257,961.18	257,961.18
Roof System--Sewer Utility Building	138,782.44	138,782.44
Improvements to Plant & Buildings	557,378.03	557,378.03
Acquisition, Installation of Improvements to Wastewater Treatment Plant	12,263,226.08	12,263,226.08
Purchase of Machinery	558,394.85	558,394.85
Old Ireland Avenue Pumping Station Ord. 63-95	1,326,703.18	1,326,703.18
Improvements to South Millville Industrial Park Ord. 10-97	65,870.54	65,870.54
Rieck Ave., Route 49 Sewer Extension Ord. 11-96	720,968.66	720,968.66
Sewer Main Extension and Pump Lift Station for Commercial Development Rt 55/47 Interchange	571,876.94	571,876.94
Infrastructure Improvements to Airport Industrial Park	1,628,145.85	1,628,145.85
Replace or Rehabilitate Sewer Mains Ord. 24-96	2,212,031.35	2,212,031.35
	<u>\$ 28,308,116.31</u>	<u>\$ 28,308,116.31</u>

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Schedule of Fixed Capital Authorized and Uncompleted  
As of December 31, 2017

Improvement Description	Ordinance		Restated Balance Dec. 31, 2016	Balance Dec. 31, 2017
	Number	Date	Amount	
General Improvements:				
Environmental Investigation and Cleanup of Taxiway Pump Station	22-2002	7/2/2002	\$ 2,000,000.00	\$ 1,999,208.44
Upgrades to Wastewater Collection System	6-2008	2/19/2008	3,150,000.00	3,078,575.02
Upgrades to Wastewater Treatment Plant - Phase I	7-2008; 19-2009	2/19/2008 6/16/2009	8,843,000.00	4,686,456.34
Upgrades to Municipal Sewer Utility	39-2012	12/18/2012	9,822,500.00	9,822,500.00
Sewer Jet & Catch Basin Cleaner	25-2016	6/7/2016	266,377.00	266,376.84
			<u>\$ 19,853,116.64</u>	<u>\$ 19,853,116.64</u>

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>		<u>Balance</u> <u>After Transfer</u>	<u>Disbursed</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
Operating:						
Salaries and Wages	\$ 135,712.31		\$ 135,712.31		\$	\$ 135,712.31
Other Expenses	580,830.79	\$ 133,682.27	714,513.06	\$ 158,614.07	\$ 24,481.40	531,417.59
Capital Improvements:						
Capital Outlay	17,616.54		17,616.54			17,616.54
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	19,631.91		19,631.91			19,631.91
Public Employees' Retirement System	27,747.00		27,747.00			27,747.00
Disability Insurance	2,000.00		2,000.00	168.64		1,831.36
	<u>\$ 783,538.55</u>	<u>\$ 133,682.27</u>	<u>\$ 917,220.82</u>	<u>\$ 158,782.71</u>	<u>\$ 24,481.40</u>	<u>\$ 733,956.71</u>



CITY OF MILLVILLE  
SEWER UTILITY OPERATING FUND  
Statement of Accrued Interest on Bonds, Notes and Loans and Analysis of Balance  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 62,993.80
Increased by:	
Charged to Budget Appropriation:	
Interest on Bonds	\$ 133,525.37
Interest on Notes	16,390.13
Interest on Loans	<u>49,677.82</u>
	<u>199,593.32</u>
	262,587.12
Decreased by:	
Interest Paid	
Operating Fund	<u>207,510.92</u>
Balance Dec. 31, 2017	<u><u>\$ 55,076.20</u></u>

Analysis of Accrued Interest Dec. 31, 2017

	Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period	Amount
Serial Bonds (Capital):						
Sewer Bonds of 2008	\$ 90,000.00	Various	9/1/2017	12/31/2017	4 Months	\$ 1,500.00
Sewer Bonds of 2011	1,750,000.00	Various	11/1/2017	12/31/2017	2 Months	12,583.33
Sewer Refunding Bonds of 2016	990,000.00	Various	9/1/2017	12/31/2017	4 Months	9,883.33
Sewer Bonds of 2017	<u>600,000.00</u>	Various	7/15/2017	12/31/2017	5.5 Months	<u>7,692.04</u>
	<u>3,430,000.00</u>					<u>31,658.70</u>
NJ Environmental Infrastructure Loans (1)						
Series 1999 A	195,000.00	Various	9/1/2017	12/31/2017	4 Months	3,705.00
Series 2003 A	615,000.00	Various	9/1/2017	12/31/2017	4 Months	9,662.50
Series 2010 A	<u>750,000.00</u>	Various	9/1/2017	12/31/2017	4 Months	<u>10,050.00</u>
	<u>1,560,000.00</u>					<u>23,417.50</u>
Grand Total	<u><u>\$ 4,990,000.00</u></u>					<u><u>\$ 55,076.20</u></u>

(1) Principal on Trust Loans Only. Fund Loans have a 0% Interest Rate

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Sewer Rental Overpayments**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016	\$ 18,506.20
Increased by:	
Receipts	<u>8,507.47</u>
	27,013.67
Decreased by:	
Applied to Consumer Accounts Receivable	<u>18,506.20</u>
Balance Dec. 31, 2017	<u><u>\$ 8,507.47</u></u>

## Exhibit SE-14

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Accounts Payable**  
**For the Year Ended December 31, 2017**

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Balance Dec. 31, 2016	\$ 235,102.73
Increased by:	
Transfer from 2016 Appropriation Reserves	<u>24,481.40</u>
	259,584.13
Decreased by:	
Disbursed	\$ 5,148.95
Canceled to Fund Balance	<u>124,181.28</u>
	<u>129,330.23</u>
Balance Dec. 31, 2017	<u><u>\$ 130,253.90</u></u>

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Statement of Contracts Payable  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 7,762,230.49
Increased by:	
Contracts and Change Orders	<u>1,518,544.19</u>
	9,280,774.68
Decreased by:	
Transfer to Improvement Authorizations	<u>7,762,230.49</u>
Balance Dec. 31, 2017	<u><u>\$ 1,518,544.19</u></u>

Exhibit SE-16

CITY OF MILLVILLE  
SEWER UTILITY OPERATING FUND  
Statement of Due to/from Current Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016 (Due to)	\$ 550.60
Decreased by:	
Disbursed	<u>5,868.18</u>
Balance Dec. 31, 2017 (Due from)	<u><u>\$ 5,317.58</u></u>

**CITY OF MILLVILLE**  
**SEWER UTILITY ASSESSMENT FUND**  
Schedule of Reserve for Assessments and Liens  
As of December 31, 2017

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>
Assessments Receivable:		
Capital Outlay	Sanitary Collection Lines Res. A-5250 & A-5251	<u>\$ 983.53</u>

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Statement of Deferred Reserve for Amortization  
For the Year Ended December 31, 2017

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Restated Balance Dec. 31, 2016</u>	<u>NJ Water Trust Loans Paid</u>	<u>Balance Dec. 31, 2017</u>
Improvements to W/W Treatment Plant & Coll System	21-2002	12/21/2004	\$ 2,941,155.48	\$ 156,383.62	\$ 3,097,539.10

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016 (Restated)	\$ 28,439,567.38
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 330,000.00
N.J. Environmental Infrastructure Loans Paid by Operating Budget	<u>252,323.60</u>
	<u>582,323.60</u>
Balance Dec. 31, 2017	<u><u>\$ 29,021,890.98</u></u>

## Exhibit SE-20

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 601,951.59
Increased by:	
Budget Appropriation	<u>100,000.00</u>
Balance Dec. 31, 2017	<u><u>\$ 701,951.59</u></u>



CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2017

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2016</u>		<u>Contracts Payable Transferred</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2017</u>	
				<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
General Improvements:									
Environmental Investigation and Cleanup of Taxiway Pump Station	22-2002	7/2/2002	\$ 2,000,000.00	\$ 195,409.53			\$ 18,875.00	\$ 176,534.53	
Upgrades to Wastewater Treatment Plant - Phase I	7-2008; 19-2009	2/19/2008; 6/16/2009	8,843,000.00		\$ 476.72	\$ 88.41	88.41	476.72	
Upgrades to Municipal Sewer Utility	39-2012	12/18/2012	9,822,500.00		792,704.44	7,762,142.08	8,391,137.33		\$ 163,709.19
				\$ 195,409.53	\$ 793,181.16	\$ 7,762,230.49	\$ 8,410,100.74	\$ 177,011.25	\$ 163,709.19
					Disbursed		\$ 6,891,556.55		
					Contracts Payable		1,518,544.19		
							<u>\$ 8,410,100.74</u>		

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2017

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
Upgrades to Municipal Sewer Utility	39-2012	12/04/2014	08/02/2016	08/01/2017	1.25%	\$ 1,700,000.00	\$ 1,700,000.00	
Upgrades to Wastewater Treatment Plant - Phase I	7-2008;19-2009	12/08/2011	08/02/2016	08/01/2017	1.25%	558,544.00	558,544.00	
						<u>\$ 2,258,544.00</u>	<u>\$ 2,258,544.00</u>	<u>-</u>
						Paid from Serial Bond Proceeds	\$ 558,544.00	
						Paid by Capital Cash	<u>1,700,000.00</u>	
							<u>\$ 2,258,544.00</u>	

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Loans Payable  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 3,060,891.07
Increased by:	
Loan Issued	9,423,760.00
	12,484,651.07
Decreased by:	
Principal Paid by Operating Fund	408,707.22
Balance Dec. 31, 2017	<u>\$ 12,075,943.85</u>

Schedule of New Jersey Environmental Infrastructure Loans Payable Dec. 31, 2017

Due Date	Series 1999A	Series 2003A		Series 2010A		Series 2018A		Total
	Trust	Trust	Fund	Trust	Fund	Trust	Fund	
February, 2018					\$ 18,175.00			\$ 18,175.00
March, 2018			\$ 8,800.93					8,800.93
August, 2018	\$ 95,000.00			\$ 50,000.00	36,350.00			181,350.00
September, 2018		\$ 90,000.00	63,451.01			\$ 240,127.45		393,578.46
March, 2019			7,639.62			120,063.72		127,703.34
February, 2019					18,175.00			18,175.00
August, 2019	100,000.00			50,000.00	36,350.00			186,350.00
September, 2019		95,000.00	65,325.81			\$ 80,000.00	240,127.45	480,453.26
February, 2020					18,175.00			18,175.00
March, 2020			6,197.47				120,063.72	126,261.19
August, 2020				55,000.00	36,350.00			91,350.00
September, 2020		100,000.00	66,919.77			85,000.00	240,127.45	492,047.22
February, 2021					18,175.00			18,175.00
March, 2021			4,679.41				120,063.72	124,743.13
August, 2021				55,000.00	36,350.00			91,350.00
September, 2021		105,000.00	68,437.83			90,000.00	240,127.45	503,565.28
February, 2022					18,175.00			18,175.00
March, 2022			3,244.84				120,063.72	123,308.56
August, 2022				60,000.00	36,350.00			96,350.00
September, 2022		110,000.00	70,039.38			95,000.00	240,127.45	515,166.83
February, 2023					18,175.00			18,175.00
March, 2023			1,658.47				120,063.72	121,722.19
August, 2023				60,000.00	36,350.00			96,350.00
September, 2023		115,000.00	71,489.31			100,000.00	240,127.45	526,616.76
February, 2024					18,175.00			18,175.00
March, 2024							120,063.72	120,063.72
August, 2024				65,000.00	36,350.00			101,350.00
September, 2024						105,000.00	240,127.45	345,127.45
February, 2025					18,175.00			18,175.00
March, 2025							120,063.72	120,063.72
August, 2025				65,000.00	36,350.00			101,350.00
September, 2025						110,000.00	240,127.45	350,127.45
February, 2026					18,175.00			18,175.00
March, 2026							120,063.72	120,063.72
August, 2026				70,000.00	36,350.00			106,350.00
September, 2026						115,000.00	240,127.45	355,127.45
February, 2027					18,175.00			18,175.00
March, 2027							120,063.72	120,063.72
August, 2027				70,000.00	36,350.00			106,350.00
September, 2027						120,000.00	240,127.45	360,127.45
February, 2028					18,175.00			18,175.00
March, 2028							120,063.72	120,063.72
August, 2028				75,000.00	36,350.00			111,350.00
September, 2028						125,000.00	240,127.45	365,127.45
February, 2029					18,175.00			18,175.00
March, 2029							120,063.72	120,063.72
August, 2029				75,000.00	36,350.00			111,350.00
September, 2029						130,000.00	240,127.45	370,127.45
March, 2030							120,063.72	120,063.72
September, 2030						135,000.00	240,127.45	375,127.45
March, 2031							120,063.72	120,063.72
September, 2031						135,000.00	240,127.45	375,127.45
March, 2032							120,063.72	120,063.72
September, 2032						140,000.00	240,127.45	380,127.45
March, 2033							120,063.72	120,063.72
September, 2033						145,000.00	240,127.45	385,127.45
March, 2034							120,063.72	120,063.72
September, 2034						150,000.00	240,127.45	390,127.45
March, 2035							120,063.72	120,063.72
September, 2035						155,000.00	240,127.45	395,127.45
March, 2036							120,063.72	120,063.72
September, 2036						160,000.00	240,127.45	400,127.45
March, 2037							120,063.72	120,063.72
September, 2037						165,000.00	240,127.77	405,127.77
	\$ 195,000.00	\$ 615,000.00	\$ 437,883.85	\$ 750,000.00	\$ 654,300.00	\$ 2,340,000.00	\$ 7,083,760.00	\$ 12,075,943.85

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Sewer Serial Bonds  
For the Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2016	Issued	Paid	Balance Dec. 31, 2017
			Outstanding Dec. 31, 2017	Date	Amount					
Sewer Bonds of 2008	09/1/08	\$ 1,630,000.00		09/1/18	\$ 90,000.00	5.000%	\$ 165,000.00		\$ 75,000.00	\$ 90,000.00
Sewer Bonds of 2011	11/1/11	2,850,000.00		11/1/18	275,000.00	5.000%				
				11/1/20-21	300,000.00	5.000%				
				11/1/22-23	300,000.00	3.000%	2,000,000.00		250,000.00	1,750,000.00
Sewer Refunding Bonds of 2016	09/5/12	1,000,000.00		09/1/18	5,000.00	2.000%				
				09/1/19	95,000.00	3.000%				
				09/1/20	95,000.00	3.000%				
				09/1/21	95,000.00	3.000%				
				09/1/22	100,000.00	3.000%				
				09/1/23	105,000.00	3.000%				
				09/1/24	100,000.00	3.000%				
				09/1/25	100,000.00	3.000%				
				09/1/26	100,000.00	3.000%				
				09/1/27	100,000.00	3.000%				
				09/1/28	95,000.00	3.000%	995,000.00		5,000.00	990,000.00
Sewer Bonds of 2017	07/26/17	600,000.00		07/15/18	25,000.00	2.000%				
				07/15/19	25,000.00	2.000%				
				07/15/20	50,000.00	3.000%				
				07/15/21	50,000.00	2.000%				
				07/15/22	50,000.00	3.000%				
				07/15/23	50,000.00	4.000%				
				07/15/24	50,000.00	4.000%				
				07/15/25	50,000.00	4.000%				
				07/15/26	50,000.00	2.250%				
				07/15/27	50,000.00	2.500%				
				07/15/28	50,000.00	3.000%				
				07/15/29	50,000.00	3.000%				
				07/15/30	50,000.00	3.000%	\$ 600,000.00			600,000.00
							\$ 3,160,000.00	\$ 600,000.00	\$ 330,000.00	\$ 3,430,000.00
Paid by Budget Appropriation									\$ 330,000.00	

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Notes</u>		<u>Balance Dec. 31, 2017</u>
			<u>Paid by Capital Cash</u>	<u>Loans Issued</u>	
6-2008	Upgrades to Wastewater Collection System	\$ 228,575.02		\$	228,575.02
39-2012	Upgrades to Municipal Sewer Utility	8,072,500.00	\$ 1,700,000.00	\$ 9,423,760.00	348,740.00
		<u>\$ 8,301,075.02</u>	<u>\$ 1,700,000.00</u>	<u>\$ 9,423,760.00</u>	<u>\$ 577,315.02</u>

**PART II**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Board of Commissioners  
City of Millville  
Millville, New Jersey 08332

**Report on Compliance for Each Major State Program**

We have audited the City of Millville's, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the City of Millville's major state programs for the year ended December 31, 2017. The City of Millville's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management's Responsibility**

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Millville's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Millville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Millville's compliance.



## Opinion on Each Major State Program

In our opinion, the City of Millville, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2017.

## Report on Internal Control over Compliance

Management of the City of Millville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Millville's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Millville's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 28, 2018

**CITY OF MILLVILLE**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended December 31, 2017**

State Grantor/ Program Title	State Grantor's Number	Program or Award Amount	Matching Contribution	Grant Period From To	Balance December 31, 2016	Receipts or Revenue Recognized	Adjustments +/-	Code	Passed- Through to Shareholders	Total State Disbursements / Expenditures	Encumbered	Balance December 31, 2017	Memo Only Accumulated Expenditures
<b>State Department of Community Affairs</b>													
Neighborhood Preservation Program	95295	\$ 400,000.00	N/A	N/A	\$ 315.00							\$ 315.00	
Total State Department of Community Affairs					315.00							315.00	
<b>State Department of Transportation</b>													
Bikeway Grant Program													
Maurice River - Phase V	N/A	517,000.00	N/A	N/A	517,000.00							517,000.00	
Safe Streets to Transit Program													
Vine Street Improvements	N/A	200,000.00	N/A	N/A	200,000.00							200,000.00	
Cedarville Road Sidewalk Improvements - Phase III	2206031	280,000.00	N/A	N/A		\$ 280,000.00						119,601.75	\$ 139,240.48
Program Total					200,000.00	280,000.00				139,240.48	21,157.77	319,601.75	139,240.48
<b>Municipal Aid Program</b>													
FY14 - 3rd Street Improvements	2205582	226,370.00	N/A	N/A	181,850.00	36,370.00	\$ 3,700.00	2		205,576.89	500.00	15,843.11	205,576.89
FY15 - 3rd Street Improvements	N/A	213,330.00	N/A	N/A	213,330.00					199,012.97		14,287.03	199,012.97
FY16 - High Street Resurfacing	2206029	225,481.00	N/A	N/A		225,481.00					215,179.40	10,301.60	
FY17 - 6th Street Road Reconstruction	2206240	235,946.00	N/A	N/A		235,946.00						235,946.00	
Program Total					181,850.00	711,097.00	3,700.00			404,589.86	215,679.40	276,377.74	404,589.86
<b>Highway Safety "Safe Corridors Program"</b>													
100-078-5100	N/A	31,968.00	N/A	N/A	3,272.72	22,916.66	31,968.00	2		31,968.00		26,189.38	31,968.00
Total State Department of Transportation					902,122.72	1,014,013.66	35,668.00			575,798.34	236,837.17	1,139,188.87	575,798.34
<b>State Department of Health and Senior Services</b>													
Municipal Court Alcohol													
Education and Rehabilitation Fund	N/A	N/A	N/A	N/A	2,212.22							2,212.22	
Total State Department of Health and Senior Services					2,212.22							2,212.22	
<b>State Department of Treasury</b>													
County of Cumberland Alcoholism and													
Drug Abuse Services Grant - Millville													
Municipal Alliance	N/A	31,594.00	\$ 7,898.50	7/1/16	24,697.38		880.70	2		25,578.08		39,492.50	
100-082-2000	N/A	31,594.00	7,898.50	7/1/17						15,262.60	331.90	23,898.00	15,262.60
Program Total					24,697.38	39,492.50	880.70			40,840.68	331.90	23,898.00	54,755.10
<b>State Department of Law and Public Safety</b>													
Drunk Driving Enforcement Grants	N/A	96,057.67	N/A	N/A	23,885.45					152.50		23,732.95	152.50
Body Armor Replacement Fund	N/A	85,375.41	N/A	N/A	6,471.30	6,847.26	959.00	2		5,004.09		9,273.47	5,004.09
Safe & Secure Communities Program	N/A	981,742.00	N/A	N/A	41,538.72	90,000.00				86,898.48		44,840.24	86,898.48
Program Total					71,895.47	96,847.26	959.00			92,055.07		77,646.66	92,055.07
<b>State Department of Environmental Protection</b>													
NJ Environmental Infrastructure Financing Program													
Clean Communities Program													
765-042-1900	N/A	240,936.14	N/A	N/A	158,725.59	62,582.13	4,462.48	2		113,655.30	583.33	111,531.57	168,358.94
Recycling Tonnage Grant	PF01-085	330,407.15	N/A	N/A	71,095.75	175,018.09	10,708.00	2		125,281.45		131,540.39	260,376.21
Program Total					135,039.27					135,039.27		2,842,307.73	
<b>Hazardous Discharge Site Remediation</b>													
516-042-4815	P17010	3,055,581.00	N/A	N/A	12,515.65							12,515.65	44,526.35
Hazardous Discharge Site Remediation	P15695	57,042.00	N/A	N/A	1,102.10							1,102.10	16,110.90
Hazardous Discharge Site Remediation	P16390	172,451.00	N/A	N/A									172,451.00
Hazardous Discharge Site Remediation	P37750	168,554.00	N/A	N/A	102,205.38							102,205.38	66,348.62
Hazardous Discharge Site Remediation	P10646	47,002.00	N/A	N/A	1,361.01							1,361.01	45,640.99
Hazardous Discharge Site Remediation	P12227	6,564.00	N/A	N/A	1,051.00							1,051.00	5,513.00
Hazardous Discharge Site Remediation	P16196	2,166,873.00	N/A	N/A	208,749.13							208,749.13	1,849,780.72
Hazardous Discharge Site Remediation	P18407	2,768,329.00	N/A	N/A	1,281,192.79							1,281,192.79	1,487,136.21
Hazardous Discharge Site Remediation	P22339	64,734.00	N/A	N/A	6,091.95							6,091.95	58,642.05
Hazardous Discharge Site Remediation	P28633	137,587.00	N/A	N/A	131,487.00							131,487.00	6,100.00
Hazardous Discharge Site Remediation	P28695	187,593.00	N/A	N/A	18,250.33							18,250.33	169,342.67
Hazardous Discharge Site Remediation	P29924	53,668.00	N/A	N/A								53,668.00	
Program Total					1,817,674.34		81,695.25			37,259.10	44,436.15	1,817,674.34	3,921,592.51
<b>Total State Department of Environmental Protection</b>					2,233,146.70	9,777,063.22	96,865.73			7,222,148.85	45,019.48	4,839,907.32	13,938,588.39

(Continued)

**CITY OF MILLVILLE**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Fiscal Year Ended December 31, 2017**

State Grant/ Program Title	State GMS Number	Grantor's Number	Program or Award Amount	Matching Contribution	Grant Period From To	Balance December 31, 2016	Receipts or Revenue Recognized	Adjustments +/-	Code	Passed- Through to Subrecipients	Total State Disbursements/ Expenditures	Encumbered	Balance December 31, 2017	Memo Only Accumulated Expenditures
State Department of Commerce and Economic Development State of New Jersey - Division of Economic Development - Urban Enterprise Zone Program: UEZA - Program Income	763-020-2830-007	N/A	N/A	N/A	N/A	\$ 50.00						\$	\$ 50.00	
Total State Department of Commerce and Economic Development						50.00							50.00	
Total State Financial Assistance						\$ 3,234,439.49	\$ 10,927,416.64	\$ 134,373.43		\$ -	\$ 7,930,842.94	\$ 282,189.55	\$ 6,083,198.07	\$ 14,661,196.90
Analysis of Balance December 31, 2017														
Current Fund:														
Reserve for Federal and State Grants--Appropriated (Exhibit SA-23)							\$ 3,229,207.90							
Reserve for Federal and State Grants--Unappropriated (Exhibit SA-24)							74,514.15						3,303,722.05	
General Capital Fund:													135,039.27	
Sewer Utility Capital Fund:													2,644,121.75	
Statement of NJEIT Receivable (Exhibit SE-6)													315.00	
Trust Other Funds:														
Reserve for Neighborhoods Preservation Program (Exhibit SB-15)													6,083,198.07	

**KEY TO CODES**

- (1) Canceled by City Resolution  
(2) Prior Year Encumbrances  
(3) Refunds and Interest Earned

The accompanying Notes to the Financial Statements and the Schedule of Expenditures of State Financial Assistance are integral parts of this schedule.



**CITY OF MILLVILLE**  
Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2017

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the "schedule") includes state award activity of the City of Millville (hereafter referred to as the "City") under programs of the state government for the year ended December 31, 2017. The City is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies, are included on the schedule. Because this schedule present only a selected portion of the operations of the City, it is not intended to and does not present the financial position and changes in operations of the City.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: RELATIONSHIP TO STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

**Note 4: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent the reversal of prior year encumbrances.

**Note 5: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**PART III**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

## Financial Statements

Internal control over financial reporting:

Noncompliance material to financial statements noted? ☐ yes ☒ no

Internal control over major programs:

Significant deficiency(ies) identified?	yes	none reported
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Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?

Identification of major programs:

**Name of Federal Program or Cluster**

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Auditee qualified as low-risk auditee?	yes	no

**CITY OF MILLVILLE**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_ Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes      X   no

Identification of major programs:

**GMIS Number(s)**

510-042-4860-009

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**Name of State Program**

Environmental Infrastructure Trust Loan

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Dollar threshold used to determine Type A programs \_\_\_\_\_ \$750,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no



**CITY OF MILLVILLE**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

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***Section 2 - Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**CITY OF MILLVILLE**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

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***Section 3 - Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not applicable.

**CITY OF MILLVILLE**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

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***Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**CITY OF MILLVILLE**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

Not applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not applicable.

**CITY OF MILLVILLE**  
**Officials in Office and Surety Bonds**

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The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Michael Santiago	Mayor	(A)
Lynne Porreca Compari	Commissioner	(A)
David W. Ennis	Commissioner	(A)
Joseph Sooy	Commissioner	(A)
William Davis	Commissioner	(A)
Regina Burke	City Administrator	(A)
Jeanne M. Hitchner	City Clerk	(A)
Marcella D. Shepard	Chief Financial Officer	(A)
Sherri J. Ball	Tax and Utilities Collector	(A)
Regina Burke	Purchasing Agent	(A)
Lauren Van Embden	Municipal Court Judge (through 9/1/17)	(A)
Jason Witcher	Municipal Court Judge (effective 9/1/17)	(A)
Jody Farabella	Police Chief	(A)
Brock D. Russell, Esq.	City Attorney	(A)
John Lamanteer	Construction Official (Upper Deerfield Township)	(A)
Wayne Johnson	City Engineer	(A)
Brian Rosenberger	Assessor	(A)
Kimberly Hamlyn	Municipal Court Administrator	(A)

(A) Covered by \$1,000,000, with either a \$1,000 deductible or for the amount the employee or official is required by law to be individually bonded, by a Public Employees Dishonesty Bond from the Atlantic County Municipal Joint Insurance Fund and Municipal Excess Joint Insurance Fund.

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the City of Millville officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, reading "Michael D. Cesaro". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant